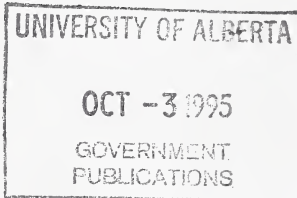


**Public Accounts
1994-95
Volume 4**

**Financial Statements of Universities,
Public Colleges, Technical Institutes
and Health Agencies**



Alberta





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Public Accounts
1994-95
Volume 4

**Financial Statements of Universities
Public Colleges, Technical Institutes
and Health Agencies**

PUBLIC ACCOUNTS 1994-95

PREFACE


The Public Accounts of Alberta are prepared in accordance with the provisions of section 77 of the Financial Administration Act. The Public Accounts are presented in four volumes.

Volume 1 contains the consolidated financial statements of the Province of Alberta. The consolidated financial statements include the accounts of government entities including the General Revenue Fund, revolving funds, the Alberta Heritage Savings Trust Fund, and other regulated funds, Provincial agencies and Crown-controlled corporations.

Volume 2 contains the financial statements of the General Revenue Fund, details of General Revenue Fund expenditure and revenue by department, financial statements of revolving funds and regulated funds, and reports that are required to be included with the Public Accounts in accordance with the Financial Administration Act and other statutes, or by direction of the Provincial Treasurer.

Volume 3 contains the financial statements of Provincial agencies, commercial enterprises and Crown-controlled corporations. Financial statements of subsidiaries of Provincial agencies are also included in Volume 3.

This volume contains the financial statements of universities, university foundations, the Banff Centre for Continuing Education, public colleges, technical institutes, the Alberta Cancer Board, the Alberta Heritage Foundation for Medical Research, the Provincial Mental Health Board, and financial statements or summaries of Regional Health Authorities.



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1994-95 PUBLIC ACCOUNTS

FINANCIAL STATEMENTS OF UNIVERSITIES, PUBLIC COLLEGES, TECHNICAL INSTITUTES AND HEALTH AGENCIES

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UNIVERSITIES, PUBLIC COLLEGES, TECHNICAL INSTITUTES
AND HEALTH AGENCIES - FINANCIAL STATEMENTS

Introduction:

Section 2(5) of the Financial Administration Act provides for the inclusion in the Public Accounts of financial statements of the following Provincial corporations:

- (a) the board of a university under the Universities Act,
- (b) the interim governing body of a university under the Universities Act,
- (c) the board of a public college under the Colleges Act,
- (d) the board of a technical institute under the Technical Institutes Act,
- (e) the interim governing authority of a technical institute under the Technical Institutes Act,
- (f) the Alberta Heritage Foundation for Medical Research,
- (g) a provincial health board under the Regional Health Authorities Act,
- (h) a mental health hospital board under the Mental Health Act, and
- (k) the Alberta Cancer Board.

The financial statements of subsidiaries of these Provincial corporations are also required to be included in the Public Accounts. In addition, the financial statements of university foundations are required to be included in the Public Accounts.

At March 31, 1995, there were no boards under (b), (e) or (h) above.

While not required by statute to be included in the Public Accounts, audited financial statements of the Banff Centre for Continuing Education and audited financial statements or unaudited financial summaries of Regional Health Authorities are included in this Volume.

ALBERTA COLLEGE OF ART
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of the
Alberta College of Art

I have audited the statement of financial position of the Alberta College of Art as at June 30, 1994 and the statements of changes in fund balances and changes in equity in capital assets for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
September 15, 1994

ALBERTA COLLEGE OF ART
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	<u>1994</u>	<u>1993</u>
ASSETS		
Cash and short-term investments	\$1,901,052	\$1,890,493
Accounts receivable and prepaid expenses (Note 4)	147,776	89,135
Inventories	360,182	364,053
Capital assets (Note 5)	<u>2,814,610</u>	<u>3,033,567</u>
	<u>\$5,223,620</u>	<u>\$5,377,248</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable	\$ 157,229	\$ 103,591
Deferred revenue	43,927	81,535
Bookstore payable (Note 6)	70,355	140,709
Accrued vacation pay (Note 3)	449,488	494,066
Pension liability (Notes 3 and 7)	<u>538,000</u>	<u>—</u>
	<u>1,258,999</u>	<u>819,901</u>
Equity in capital assets	<u>2,814,610</u>	<u>3,033,567</u>
Fund balances		
Operating	(735,392)	(411,418)
Capital	5,859	3,325
Restricted (Note 8)	<u>1,631,607</u>	<u>1,597,887</u>
	902,074	1,189,794
Reserves (Note 9)	<u>247,937</u>	<u>333,986</u>
	<u>1,150,011</u>	<u>1,523,780</u>
	<u>\$5,223,620</u>	<u>\$5,377,248</u>

The accompanying notes are part
of these financial statements.

ALBERTA COLLEGE OF ART
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	Operating				Total	Total
	Budget	Actual	Capital	Restricted	1994	1993
REVENUE						
Grants (Note 10)	\$6,661,580	\$6,587,096	\$ 121,400	\$ —	\$6,708,496	\$6,883,698
Tuition fees	700,000	783,946	—	—	783,946	688,952
Continuing education fees	340,000	301,157	—	—	301,157	289,940
Bookstore sales (Note 6)	496,000	540,780	—	—	540,780	472,676
Investment income	20,000	32,696	—	76,342	109,038	119,350
Sales, rental and services	83,433	89,985	—	—	89,985	73,874
Donations	—	35,053	—	20,889	55,942	184,527
Proceeds from disposal of capital assets	—	—	5,975	—	5,975	150
	<u>8,301,013</u>	<u>8,370,713</u>	<u>127,375</u>	<u>97,231</u>	<u>8,595,319</u>	<u>8,713,167</u>
EXPENDITURE						
Direct instruction	3,990,196	3,881,128	—	—	3,881,128	3,877,738
Indirect instruction	735,800	784,079	—	—	784,079	780,901
Campus operations	861,540	890,507	—	—	890,507	871,892
Bookstore costs (Note 6)	506,161	554,770	—	—	554,770	448,541
Board and president	290,344	251,067	—	—	251,067	426,381
Education management	344,376	317,711	—	—	317,711	328,261
Student services	400,334	392,595	—	43,511	436,106	391,278
Finance and administration	794,467	839,688	—	—	839,688	734,532
Continuing education	384,825	360,369	—	—	360,369	376,042
Acquisition of capital assets	—	—	124,663	—	124,663	119,221
	<u>8,308,043</u>	<u>8,271,914</u>	<u>124,663</u>	<u>43,511</u>	<u>8,440,088</u>	<u>8,354,787</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ (7,030)</u>	<u>98,799</u>	<u>2,712</u>	<u>53,720</u>	<u>155,231</u>	<u>358,380</u>
Inter-fund transfers		20,178	(178)	(20,000)	—	—
Reserves (Note 9)						
Returned to fund balance		115,114	—	—	115,114	75,811
Appropriated from fund balance		(29,065)	—	—	(29,065)	(212,172)
CHANGES IN FUND BALANCES FOR THE YEAR		<u>205,026</u>	<u>2,534</u>	<u>33,720</u>	<u>241,280</u>	<u>222,019</u>
FUND BALANCES AT BEGINNING OF YEAR, as previously reported		82,648	3,325	1,597,887	1,683,860	1,395,981
Accrued vacation pay (Note 3)		(494,066)	—	—	(494,066)	(428,206)
Pension liability (Note 3)		(529,000)	—	—	(529,000)	—
FUND BALANCES AT BEGINNING OF YEAR, as restated		<u>(940,418)</u>	<u>3,325</u>	<u>1,597,887</u>	<u>660,794</u>	<u>967,775</u>
FUND BALANCES AT END OF YEAR		<u>\$ (735,392)</u>	<u>\$ 5,859</u>	<u>\$1,631,607</u>	<u>\$ 902,074</u>	<u>\$1,189,794</u>

ALBERTA COLLEGE OF ART
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$3,033,567	\$3,004,977
Add: Acquisition of capital assets	124,663	119,221
Less: Cost of capital asset disposals	69,094	90,631
	<u>3,089,136</u>	<u>3,033,567</u>
Less: Change in capitalization threshold (Note 5)	274,526	—
Balance at end of year	<u>\$2,814,610</u>	<u>\$3,033,567</u>

ALBERTA COLLEGE OF ART
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority

The Alberta College of Art operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College is a registered charity and therefore, is exempt from payment of income tax under section 149 of the Income Tax Act.

The College is a contemporary institution for education in the visual arts and design, which delivers both adult post-secondary and children's programming.

The College promotes cultural and artistic awareness in the College and the community through art exhibitions, public lecture programs and its collection of visual art and library resources.

Note 2 Summary of Significant Accounting Policies

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary educational activities of the College.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the capital assets of the College.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal is to be held intact.

(c) Inventories

Inventories of supplies are valued at the lower of cost or net realizable value, as estimated by management.

(d) Capital Assets

Capital assets are recorded at cost. No amortization is recorded.

Capital assets transferred from the Southern Alberta Institute of Technology are recorded at a value agreed between the College and the Institute based on original cost, except for the permanent art collection which is recorded at appraised value. Donated assets are recorded at fair market value.

(e) Revenue Recognition

Revenue for provision of goods or services is recognized when the goods or services are provided. Grants, including capital and other restricted grants, are recognized as revenue in the fiscal year for which the funding was intended. Donations, including endowments, are recognized as revenue when received. Donations of supplies are recorded at fair market value.

(f) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College, policies have been established to transfer amounts between funds to achieve the financial objectives of the College.

(g) Reserves

The Board of Governors appropriates amounts from fund balances to provide for specific requirements in subsequent fiscal years. These amounts are returned to fund balances when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

(h) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policies

(a) Accrued Vacation Pay

In prior years, vacation entitlements earned but not taken were not recorded. During the year, the College changed its accounting policy to record vacation pay in the period in which it is earned. This change has been applied retroactively with restatement of prior years' amounts. The change has had the effect of decreasing expenses of the current year by \$44,578 (1993 increasing expenses by \$65,860) and increasing accrued vacation pay by \$449,488 (1993 \$494,066).

(b) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of decreasing the operating fund balance at the beginning of the year by \$529,000, increasing current year operating fund expense by \$9,000, and recognizing a pension liability of \$538,000 at June 30, 1994.

Note 4 Accounts Receivable and Prepaid Expenses

	1994	1993
Prepaid expenses	\$ 45,872	\$ 19,343
Due from Students' Association	25,657	25,041
Employee loans	10,431	7,001
Other	65,816	37,750
	<u>\$147,776</u>	<u>\$ 89,135</u>

Note 5 Capital Assets

	1994	1993
Furniture and equipment	\$1,142,108	\$1,443,685
Leasehold improvements	1,499,034	1,416,414
Permanent art collection	173,468	173,468
	<u>\$2,814,610</u>	<u>\$3,033,567</u>

The College has increased its capitalization threshold from \$500 to \$1,000. This change, which was implemented at the end of the year, has had the effect of decreasing capital assets and equity in capital assets by \$274,526.

The land and buildings which house the College are owned by the Southern Alberta Institute of Technology, and occupied by the College under a license granted by the Institute. The term of the license is through a renewable contractual agreement between the College and the Institute determined at the pleasure of the Minister of Advanced Education and Career Development. The College pays all operating costs for the 24,754 square metres of building space.

Note 6 Bookstore

Payable

On July 1, 1992, the College bookstore was transferred from the Department of Education to the College. The College received inventory and assets valued at \$211,064, and agreed to repay the Province in three equal annual instalments, on March 1, 1993, March 1, 1994 and June 30, 1995.

Sales and Costs

The bookstore operates as a department of the College whose responsibilities include purchasing, receiving and retail sales. Sales revenue represents gross sales. Costs include cost of goods sold plus salaries and other direct department operating costs.

Note 7 Pension Liability

The College participates with other employers in a defined benefit pension plan. The Local Authorities Pension Plan provides pensions for the College's employees based on length of service and earnings.

The total amount of unfunded pension liabilities from this plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Alberta Legislature passed the Public Sector Pension Plans Act which determined the amount of unfunded pension liability to be funded by employers. The College's portion of that employers' liability was calculated based on the College's percentage of the total pensionable payroll of all employers. The College's pension liability at June 30, 1994 is \$538,000.

Note 8 Restricted Funds

	Balance at Beginning of Year	Add Revenue	Deduct Expenditure and Transfer	Balance at End of Year
Endowment funds:				
Principal	\$1,442,041	\$ 26,113	\$ —	\$1,468,154
Expendable	152,879	57,848	50,700	160,027
	1,594,920	83,961	50,700	1,628,181
Scholarships	2,967	13,270	12,811	3,426
	<u>\$1,597,887</u>	<u>\$ 97,231</u>	<u>\$ 63,511</u>	<u>\$1,631,607</u>

Note 9 Reserves

	Balance at Beginning of Year	Deduct Returned to Fund Balance	Add Appropriated From Fund Balance	Balance at End of Year
Capital renewal	\$211,173	\$103,914	\$ 22,900	\$130,159
Bookstore inventory	70,355	—	—	70,355
Minor capital	20,000	—	—	20,000
Special project	13,725	1,200	2,450	14,975
Faculty recognition	10,000	10,000	—	—
Visual communication	8,733	—	3,715	12,448
	<u>\$333,986</u>	<u>\$115,114</u>	<u>\$ 29,065</u>	<u>\$247,937</u>

Note 10 Grants

	1994	1993
Province of Alberta, Department of Advanced Education and Career Development		
Operating		
Base	\$6,549,114	\$6,632,013
Capital		
General capital	121,400	109,725
Restricted		
Matching	—	112,500
	<u>6,670,514</u>	<u>6,854,238</u>
Other operating		
Alberta Foundation for the Arts	24,567	22,985
Canada Council	11,500	4,451
Calgary Further Education Council	1,915	2,024
	<u>37,982</u>	<u>29,460</u>
	<u>\$6,708,496</u>	<u>\$6,883,698</u>

Note 11 Operating Fund Expenditures

Operating fund expenditures are summarized by object of expenditure as follows:

	1994	1993
Salaries, benefits and allowances	\$6,145,959	\$6,178,284
Supplies and services	1,612,741	1,610,162
Bookstore - cost of goods sold	371,214	264,088
Minor capital	142,000	138,956
	<u>\$8,271,914</u>	<u>\$8,191,490</u>

Note 12 Salaries, Benefits and Allowances

	1994				1993	
	Full-time Equivalent	Salary ^(a)	Benefits and Allowances ^(b)	Total	Full-time Equivalent	Total
Board of Governors						
Chair	1.0	\$ 3,865	\$ 85	\$ 3,950	1.0	\$ 7,737
Members	9.0	16,646	471	17,117	9.0	17,905
President	0.3	24,545	9,121	33,666	0.8	93,268
Vice-President, Administration	1.0	70,000	15,640	85,640	0.6	49,036
Academic deans						
Core/Humanities	1.0	60,000	9,120	69,120	0.5	34,650
Design	1.0	60,000	9,120	69,120	0.5	34,650
Fine Arts	1.0	60,000	9,120	69,120	0.5	34,650
Other managers (average 1994 \$55,349 1993 \$55,967)	14.5	696,230	106,327	802,557	16.3	912,258
Other full-time staff ^(c) (average 1994 \$52,519 1993 \$47,976)	65.7	2,995,213	455,272	3,450,485	71.1	3,411,107
Part-time casual and wage staff ^(d)	56.1	1,257,223	185,054	1,442,277	58.1	1,340,018
Other payroll ^(e)	—	51,789	51,118	102,907	—	243,005
	<u>150.6</u>	<u>\$5,295,511</u>	<u>\$ 850,448</u>	<u>\$6,145,959</u>	<u>158.4</u>	<u>\$6,178,284</u>

(a) Salary includes regular base pay, overtime, honoraria and other direct remuneration.

(b) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, unemployment insurance, health care, extended health and dental coverage, group life insurance, accidental disability and dismemberment, and long and short-term disability plans. Benefits and allowances also include a housing allowance for the President and car allowances for the President, the Vice-President, Administration and one Other manager.

(c) Other full-time staff include both faculty (41.0 FTE) and support staff (24.7 FTE) except while on sabbatical.

(d) Part-time and casual wage staff includes sessional and contract faculty (42.4 FTE) and support staff, models, and monitors (13.7 FTE).

(e) Other payroll expenditures include changes in accrued vacation and pension liabilities, severance payments and faculty on sabbatical totalling 2.0 FTE (1993 4.0 FTE) who received 76% of their regular base pay.

Note 13 Budget

The budget was approved by the Board of Governors on September 15, 1993.

Note 14 Comparative Figures

The 1993 comparative figures have been reclassified where necessary to conform to 1994 presentation.

Note 15 Approval of Financial Statements

These financial statements were approved by the Board of Governors.

ALBERTA MICROELECTRONIC CENTRE
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Equity
Statement of Changes in Financial Position
Notes to the Financial Statements

AUDITOR'S REPORT

To the Members of
the Alberta Microelectronic Centre

I have audited the balance sheet of the Alberta Microelectronic Centre as at March 31, 1995 and the statements of revenue, expenditure and equity, and changes in financial position for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

I further report that the Centre has not complied with a Treasury Board Directive relating to the disclosure of salary and related benefits costs.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 23, 1995

ALBERTA MICROELECTRONIC CENTRE
BALANCE SHEET
AS AT MARCH 31, 1995

	1995	1994
ASSETS		
Current:		
Cash	\$ 754,301	\$ 650,544
Accounts receivable	462,825	334,753
Due from The University of Alberta	—	6,474
Prepaid expense	154,938	398,596
	<u>1,372,064</u>	<u>1,390,367</u>
Investment, at cost (Note 4)	120,000	—
Capital assets (Note 5)	693,720	1,236,056
	<u>\$2,185,784</u>	<u>\$2,626,423</u>
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued charges	\$ 267,868	\$ 214,434
Deferred revenue	59,585	96,844
Due to The University of Alberta	1,186	—
Unexpended capital contributions	—	173,589
	<u>328,639</u>	<u>484,867</u>
Equity:		
Deferred expended capital contributions (Notes 3 and 6)	690,790	1,228,087
Reserves (Note 7)	260,000	150,000
Surplus	906,355	763,469
	<u>1,857,145</u>	<u>2,141,556</u>
	<u>\$2,185,784</u>	<u>\$2,626,423</u>
On behalf of the Board of Directors		
Michael Welsh	Ian Hamilton	
Director	Director	

The accompanying notes are part
of these financial statements.

ALBERTA MICROELECTRONIC CENTRE
STATEMENT OF REVENUE, EXPENDITURE AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
	Budget (Note 10)	Actual (Restated Note 3)
REVENUE		
Operating grant, Province of Alberta	\$1,500,000	\$1,553,050
Research and development	1,000,000	1,389,712
Amortization of deferred expended capital contributions (Note 3)	—	571,054
National Research Council - contract services	160,000	168,052
Royalties and licence fees	150,000	264,510
Interest	10,000	42,317
Gain on disposal of capital assets	—	17,918
Miscellaneous	—	12,594
	<u>2,820,000</u>	<u>3,963,319</u>
EXPENDITURE		
Industrial training and student development	863,000	1,186,069
Product development	566,000	551,217
Research and development	1,110,000	1,192,051
Second office	162,000	162,698
Government market development support	202,000	103,232
Amortization of grant funded capital assets (Note 3)	—	515,166
	<u>2,903,000</u>	<u>3,710,433</u>
Excess (deficiency) of revenue over expenditure for the year	<u>\$ (83,000)</u>	<u>252,886</u>
Appropriation to reserve (Note 7)		(110,000)
Surplus at beginning of year		763,469
Surplus at end of year		<u>\$ 888,695</u>
		<u>\$ 763,469</u>

ALBERTA MICROELECTRONIC CENTRE
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Operating activities:		
Excess (deficiency) of revenue over expenditure	\$ 252,886	\$(125,226)
Add:		
Amortization of capital assets	517,969	581,146
Write off and disposal of capital assets	269,906	37,626
Less:		
Amortization of deferred expended capital contributions	(515,166)	(571,054)
Gain on disposal of capital assets	(17,918)	(44,551)
Write off of deferred expended capital contributions	(267,670)	(37,626)
	<u>240,007</u>	<u>(159,685)</u>
Changes in non-cash working capital:		
Accounts receivable	(128,072)	(63,988)
Prepaid expense	243,658	(57,267)
Accounts payable and accrued charges	53,434	65,827
Deferred revenue	(37,259)	(131,249)
Due to (from) The University of Alberta	7,660	94,595
Unexpended capital contributions	(173,589)	(128,188)
Cash generated from (applied to) operations	<u>205,839</u>	<u>(379,955)</u>
Investing activities:		
Acquisition of capital assets	(245,539)	(532,003)
Increase in investment	(120,000)	—
Cash applied to investing activities	<u>(365,539)</u>	<u>(532,003)</u>
Financing activities:		
Expended capital contributions	173,589	128,188
Capital grants received	71,950	403,815
Proceeds on disposal of capital assets	17,918	44,551
Cash generated from financing activities	<u>263,457</u>	<u>576,554</u>
Increase (decrease) in cash	<u>103,757</u>	<u>(335,404)</u>
Cash at beginning of year	650,544	985,948
Cash at end of year	<u>\$ 754,301</u>	<u>\$ 650,544</u>

ALBERTA MICROELECTRONIC CENTRE
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Alberta Microelectronic Centre was incorporated under the provisions of Part 9 of the Companies Act of the Province of Alberta as a not-for-profit company limited by guarantee. It is affiliated with The University of Alberta.

The Centre was established to serve as a focal point for microelectronic technology in Alberta through the provision of technology transfer, industry assistance, training programs, development facilities and ongoing research and development.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Grants

Operating grants are recorded as revenue in the years for which they are approved.

Capital grants are recorded as unexpended capital contributions until they are invested in capital assets. Amounts invested, representing funded capital assets, are then transferred to deferred expended capital contributions and amortized to revenue over the estimated useful lives of the capital assets funded. This has the effect of matching capital funding received with the consumption of the funded capital assets over the useful lives of those assets.

(b) Amortization of Capital Assets

Capital assets, other than leasehold improvements, are amortized on a declining balance basis over their estimated useful lives as follows:

Office equipment and furniture	20%
Technical equipment	40%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(c) Deferred Revenue

Contract revenue is recognized as the related costs are incurred. Amounts received in advance of the related costs being incurred are recorded as deferred revenue.

Note 3 Change in Accounting Policy

The Centre has changed the way it accounts for grants received for the acquisition of capital assets, and the assets acquired with those grants. Previously, capital grants were offset against capital asset purchases, and any unspent amounts were shown on the balance sheet as deferred capital contributions. In addition, the cumulative amount of capital assets purchased with capital grants, less amortization, was shown on the balance sheet, with an offsetting credit to equity in capital assets.

Under the new accounting treatment, all capital assets are capitalized, and amortized to operations on the basis described in Note 2(b). Capital grants are accounted for on the basis described in Note 2(a).

This accounting policy change has been applied retroactively. The change has had the effect of increasing both revenue and expenditure by \$515,166 (1994 \$571,054) and reducing equity in capital assets and increasing deferred expended capital contributions by \$690,790 (1994 \$1,228,087).

Note 4 Investment

As partial compensation for development work performed, the Centre received 819,565 class A common shares in Prime-Link Corp., a company involved in the research and development of data storage technology. The shares are held in trust for the Centre under an escrow agreement filed with the Alberta Securities Commission which restricts their sale. At March 31, 1995, the shares had a market value of \$696,630.

Note 5 Capital Assets

	1995		1994	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment and furniture	\$ 138,894	\$ 68,532	\$ 70,362	\$ 141,448
Technical equipment	6,754,586	6,138,563	616,023	1,085,257
Leasehold improvements	15,063	7,728	7,335	9,351
	<u>\$6,908,543</u>	<u>\$6,214,823</u>	<u>\$ 693,720</u>	<u>\$1,236,056</u>

Effective April 1, 1994, the Centre increased the threshold for capitalizing capital assets to \$5,000. Previously capitalized assets costing \$690,908, together with related accumulated amortization of \$447,169 and deferred expended capital contributions of \$241,503 were written off to conform to this policy. The effect on the Centre's excess of revenue over expenditure for the year was not material.

Note 6 Deferred Expended Capital Contributions

Deferred expended capital contributions relate to the unamortized value of capital assets purchased with capital grants. Changes in the account balance during the year were as follows:

	1995	1994
Balance at beginning of year	\$1,228,087	\$1,304,764
Add capital asset acquisitions	245,539	532,003
Less disposals at written down value	(26,167)	(37,626)
Less amortization	(515,166)	(571,054)
Less write-off due to change in capitalization threshold (Note 5)	(241,503)	—
	<u>\$ 690,790</u>	<u>\$1,228,087</u>

Note 7 Reserves

The Board of Directors has established the following reserves by appropriations from surplus:

	1995	1994
Site restoration reserve	\$150,000	\$150,000
Equipment acquisition reserve	110,000	—
	<u>\$260,000</u>	<u>\$150,000</u>

Note 8 Commitments

(a) Minimum payments for the next five years under operating leases are as follows:

1996	\$181,071
1997 to 1999	\$ 87,372

(b) At March 31, 1995, the Centre had contracted for the acquisition of technical equipment in the amount of \$110,000.

Note 9 Related Party Transactions

During the year, the following revenues were received from and disbursements made to The University of Alberta:

	1995	1994
Research material and services revenue	<u>\$ 47,511</u>	<u>\$104,810</u>
Rent expenditure	\$102,000	\$100,059
Other expenditure	<u>106,046</u>	<u>44,093</u>
	<u>\$208,046</u>	<u>\$144,152</u>

Note 10 Budget

The 1995 budget was approved by the Board of Directors in June 1994 and is presented for comparison with the 1995 actual figures.

Note 11 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 presentation.

THE ARCTIC INSTITUTE OF NORTH AMERICA
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Operations
Statement of Changes in Cash Resources
Notes to the Financial Statements
Schedule of Restricted Funds

AUDITOR'S REPORT

To the Board of Governors of
The University of Calgary

I have audited the statement of financial position of The Arctic Institute of North America as at March 31, 1995 and the statements of changes in fund balances, operations, and changes in cash resources for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 15, 1995

THE ARCTIC INSTITUTE OF NORTH AMERICA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 1995

	1995	1994
ASSETS		
Cash	\$ 400	\$ 400
Deposit with The University of Calgary	887,869	822,426
Accounts receivable	99,817	125,969
Prepaid expenses	<u>9,031</u>	<u>2,966</u>
	997,117	951,761
Capital assets (Note 4)	<u>48,887</u>	<u>54,510</u>
	<u>\$1,046,004</u>	<u>\$1,006,271</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable and accrued charges	\$ 103,792	\$ 94,441
Deferred revenue	<u>126,397</u>	<u>99,847</u>
	230,189	194,288
Fund balances:		
Operating	505,623	471,562
Capital	48,887	54,510
Restricted	58,760	121,524
Endowment (Note 5)	<u>202,545</u>	<u>164,387</u>
	815,815	811,983
	<u>\$1,046,004</u>	<u>\$1,006,271</u>
The accompanying notes and schedule are part of these financial statements.		

THE ARCTIC INSTITUTE OF NORTH AMERICA
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1995

	1995					1994
	Operating	Capital	Restricted	Endowment	Total	Total
Balances at beginning of year:						
As previously reported	\$479,304	\$ 54,510	\$121,524	\$164,387	\$819,725	\$722,858
Academic vacation pay accrual (Note 3)	(7,742)	—	—	—	(7,742)	—
As restated	<u>471,562</u>	<u>54,510</u>	<u>121,524</u>	<u>164,387</u>	<u>811,983</u>	<u>722,858</u>
Excess (deficiency) of revenue over expense	47,603	—	(61,929)	—	(14,326)	88,530
Interfund transfers:						
Amortization and write off of capital assets	15,323	(15,323)	—	—	—	—
Capital asset acquisitions	(7,361)	9,700	(2,339)	—	—	—
Board allocations	(21,504)	—	1,504	20,000	—	—
Contributions	—	—	—	<u>18,158</u>	<u>18,158</u>	<u>8,337</u>
Balances at end of year	<u>\$505,623</u>	<u>\$ 48,887</u>	<u>\$ 58,760</u>	<u>\$202,545</u>	<u>\$815,815</u>	<u>\$819,725</u>

THE ARCTIC INSTITUTE OF NORTH AMERICA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1995

	1995			1994	
	Operating	Restricted	Total	Budget	Total
		(Schedule 1)	Actual	(Note 10)	Actual
Revenue					
Grants and donations (Note 6)	\$ 450,390	\$ 13,308	\$ 463,698	\$ 473,000	\$ 618,278
Projects	415,616	73,232	488,848	526,000	447,029
Memberships and subscriptions	84,303	4,862	89,165	86,000	86,189
Publications	10,171	29,572	39,743	17,300	37,426
Investment income	37,296	3,134	40,430	39,000	52,715
Back issues, page charges and reprints	35,299	—	35,299	13,000	22,632
Other	2,165	—	2,165	1,000	963
	<u>1,035,240</u>	<u>124,108</u>	<u>1,159,348</u>	<u>1,155,300</u>	<u>1,265,232</u>
Expense (Note 8)					
Arctic Journal (Note 7)	138,761	—	138,761	139,000	156,824
Projects	337,512	186,037	523,549	641,494	456,340
Publications	11,143	—	11,143	8,000	16,473
General and administrative (Note 6)	484,898	—	484,898	404,000	468,155
Early retirement incentive, position abolishment	—	—	—	—	69,110
Amortization and write off of capital assets	15,323	—	15,323	—	9,800
	<u>987,637</u>	<u>186,037</u>	<u>1,173,674</u>	<u>1,192,494</u>	<u>1,176,702</u>
Excess (deficiency) of revenue over expense	<u>\$ 47,603</u>	<u>\$ (61,929)</u>	<u>\$ (14,326)</u>	<u>\$ (37,194)</u>	<u>\$ 88,530</u>

THE ARCTIC INSTITUTE OF NORTH AMERICA
STATEMENT OF CHANGES IN CASH RESOURCES
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Operating activities		
Excess (deficiency) of revenue over expense	\$ (14,326)	\$ 88,530
Add back amortization and write off, not requiring cash	<u>15,323</u>	<u>9,800</u>
	997	98,330
Changes in non-cash working capital		
Accounts receivable	26,152	(26,829)
Accounts payable and accrued charges	9,351	58,384
Deferred revenue	26,550	25,509
Prepaid expenses	(6,065)	(2,966)
	<u>56,985</u>	<u>152,428</u>
Financing activities		
Contributions to Endowment	<u>18,158</u>	<u>6,540</u>
Investing activities		
Acquisition of capital assets	<u>(9,700)</u>	<u>(2,552)</u>
Increase in cash resources	65,443	156,416
Cash resources at beginning of year	<u>822,826</u>	<u>666,410</u>
Cash resources at end of year	<u>\$888,269</u>	<u>\$822,826</u>
Cash resources:		
Cash	\$ 400	\$ 400
Deposit with The University of Calgary	<u>887,869</u>	<u>822,426</u>
	<u>\$888,269</u>	<u>\$822,826</u>

THE ARCTIC INSTITUTE OF NORTH AMERICA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Arctic Institute of North America (the "Institute") operates under authority of an Act of the Federal Parliament (9-10 George VI, Chapter 45). Its objective is to initiate, encourage and support northern research and to advance the study of arctic conditions and problems.

Under a 1979 agreement between the Institute and The University of Calgary, the Institute vested its control and management with The University of Calgary.

The Institute is a charitable organization and is exempt from payment of income tax under the Income Tax Act of Canada.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Fund Accounting

The accounts of the Institute are maintained in accordance with the principles of fund accounting in order to recognize various restrictions imposed on the use of available resources. Under these principles, revenues and expenses are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside the Institute, and determinations made by the Board of Directors. For financial reporting purposes, accounts with similar characteristics are combined into operating and restricted funds.

The statement of operations shows the revenue and expense of the Institute by fund. The Institute has classified accounts with similar characteristics into major funds as follows:

- The Operating Fund consists of the revenue and expense used in the general operations of the Institute.
- The Restricted Fund consists of funds specifically identified for research or related activities as approved either by the Board or Directors or by the granting agencies, research institutes, or other public or private organizations that contributed the funds.
- The Endowment Fund consists of donations received with stipulations that these funds be invested and the income earned be expended for designated purposes.

(b) Capital Assets

Capital assets are recorded at cost less accumulated amortization, except for buildings in the Yukon which are recorded at estimated cost of construction of \$71,003, less accumulated amortization.

Amortization is based on an estimated useful life of 30 years for buildings, 20 years for leasehold improvements and an average of 10 years for furnishings and equipment. Amortization is funded by an inter fund transfer from the capital fund to the operating fund.

(c) Deferred Revenue

Grants, memberships and subscriptions received, which are specifically designated for future periods, are recorded as deferred revenue.

(d) Contributed Services

The value of services provided without charge to the Institute by The University of Calgary is recorded as revenue and expense of the Institute.

Note 3 Changes in Accounting Policy

Academic Vacation Accrual

In 1993, the Institute changed its accounting policy to include an accrual for vacation pay for support staff. Commencing in 1995, this policy has been extended retroactively to include an accrual for vacation pay for academic staff as well. This change has the effect of decreasing salary expense by \$270 (1994 \$Nil), and increasing current liabilities by \$7,472 (1994 \$7,742).

Note 4 Capital Assets

	1995			1994
	Cost	Accumulated Amortization	Net	Net
Buildings and leasehold improvements	\$ 76,025	\$ 62,240	\$ 13,785	\$ 15,736
Furnishings and equipment	110,658	75,556	35,102	38,774
	<u>\$186,683</u>	<u>\$137,796</u>	<u>\$ 48,887</u>	<u>\$ 54,510</u>

Note 5 Endowment Funds

	Balance at Beginning of Year	Contributions Received	Balance at End of Year
Externally restricted:			
General	\$108,601	\$ 4,458	\$113,059
Jennifer Robinson Memorial	29,378	1,000	30,378
Lorraine Allison Scholarship	26,408	1,700	28,108
Gerald Thompson Scholarship	—	11,000	11,000
	<u>164,387</u>	<u>18,158</u>	<u>182,545</u>
Internally restricted:			
Gerald Thompson Scholarship	—	20,000	20,000
	<u>\$164,387</u>	<u>\$ 38,158</u>	<u>\$202,545</u>

Note 6 Related Party Transactions

- (a) The Institute received operating grants of \$281,565 (1994 \$294,155) from The University of Calgary. In addition, accommodation, basic office furnishings and certain other administrative and operating costs were borne by the University. These services are valued at \$86,000 (1994 \$86,000) and are included in grants and donations revenue, and general and administrative expense in these financial statements.
- (b) During the year, the Institute administered a number of grants on behalf of The University of Calgary. These grants totalling \$119,082 (1994 \$135,082) and related expenditures of \$115,487 (1994 \$135,942) are not reflected in these financial statements but are reported as restricted fund transactions in the financial statements of The University of Calgary.

Note 7 Arctic Journal

Significant financial information related to the Arctic Journal is as follows:

	1995	1994
Revenue included in the following:		
Grants	\$ 39,190	\$ 44,190
Memberships and subscriptions	84,303	81,245
Back issues, page charges and reprints	35,299	22,632
Investment income	6,112	5,004
Total revenue	<u>164,904</u>	<u>153,071</u>
Expenditure:		
Production and distribution	85,695	71,582
Salaries	45,523	79,512
Office	7,543	5,730
Total expenditure before amortization	<u>138,761</u>	<u>156,824</u>
Amortization	1,539	803
Total expenditure	<u>140,300</u>	<u>157,627</u>
Excess (deficiency) of revenue over expense	<u>\$ 24,604</u>	<u>\$ (4,556)</u>

Note 8 Expense

Expense is summarized by object as follows:

	1995	1994
Salaries, wages and benefits	\$ 624,895	\$ 585,151
Purchased services	194,658	193,269
Office	176,013	181,195
Printing	98,356	72,214
Travel and meeting	64,429	65,963
Amortization and write off	15,323	9,800
Early retirement incentive, position abolishment	—	69,110
	<u>\$1,173,674</u>	<u>\$1,176,702</u>

Note 9 Salaries, Wages and Benefits

	1995				1994	
	Full-time Equivalents	Salaries and Wages ⁽¹⁾	Benefits ⁽²⁾	Total	Full-time Equivalents	Total
Board of Directors	11.0	\$ —	\$ —	\$ —	12.0	\$ —
Executive Director	1.0	99,566	11,216	110,782	1.0	104,560
Associate Director	1.0	52,419	8,735	61,154	1.0	62,490
Other staff (average 1995 \$34,843, 1994 \$37,330)	13.0	407,140	45,819	452,959	11.2	418,101
	<u>26.0</u>	<u>\$559,125</u>	<u>\$ 65,770</u>	<u>\$624,895</u>	<u>25.2</u>	<u>\$585,151</u>

- (1) Salaries and wages include regular base pay, overtime, honoraria and any other direct cash remuneration.
- (2) Benefits include the employer's share of all employee benefits including health care, group life, dental and pension plans and Workers' Compensation.

Note 10 Budget

The 1995 budget was approved by the Institute's Board of Directors on March 19, 1994 and is presented for comparison with the 1995 actual figures.

Note 11 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 presentation.

Note 12 Approval of Financial Statements

These financial statements were approved by management.

Schedule 1

THE ARCTIC INSTITUTE OF NORTH AMERICA
SCHEDULE OF RESTRICTED FUNDS
FOR THE YEAR ENDED MARCH 31, 1995

	Balance at Beginning of Year	Add		Deduct	Balance at End of Year
		Revenue	Interfund Transfers	Expense	
Revolving Publication Account	\$ 26,101	\$ 29,572	\$ —	\$ 40,012	\$ 15,661
Arctic of the Imagination	(1,288)	19,500	(2,339)	7,058	8,815
Student scholarships and grants	—	7,996	1,504	9,500	—
Dene Traditional Justice Project	(114)	13,563	—	13,449	—
Sustainable Economic Development Program	9,795	5,093	—	14,888	—
Northern Students Association	2,310	—	—	1,369	941
Amoco - Eurasia Soviet environmental visits	9,348	—	—	—	9,348
Climate change study from traditional knowledge	184	5,347	—	4,136	1,395
NSERC Mt. Logan Study	4,307	8,902	—	6,262	6,947
The University of Calgary Gorbachev Foundation	—	4,190	—	649	3,541
Traditional hunting grounds study	1,233	(247)	—	986	—
Building Bridges Conference	—	7,790	—	6,063	1,727
Lubicon Book Project	27,054	—	—	24,821	2,233
GNWT Education Conference	10,118	682	—	10,800	—
50th Anniversary Project	8,598	7,657	—	8,366	7,889
Fetal Alcohol Syndrome	15,000	425	—	15,162	263
Mediation Study Resource Development	879	4,076	—	4,955	—
Co-Management Project with Treaty 8	7,999	9,562	—	17,561	—
	<u>\$121,524</u>	<u>\$124,108</u>	<u>\$ (835)</u>	<u>\$186,037</u>	<u>\$ 58,760</u>

ATHABASCA UNIVERSITY
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations and Changes in Net Assets

Consolidated Statement of Changes in Financial Position

Notes to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Members of the Athabasca University
Governing Council

I have audited the consolidated statement of financial position of Athabasca University as at March 31, 1995 and the consolidated statements of operations and changes in net assets and changes in financial position for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 9, 1995

ATHABASCA UNIVERSITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 1995
(thousands of dollars)

	1995	1994 (As restated) (Note 3)
ASSETS		
Current		
Cash and short-term investments	\$ 4,488	\$ 5,578
Accounts receivable	1,061	745
Loans receivable (Note 4)	84	121
Inventory of course materials	2,124	2,164
Prepaid expenses	363	220
	<u>8,120</u>	<u>8,828</u>
Cash and short-term investments (Note 5)	3,418	3,354
Deferred course development costs	161	—
Capital assets, net of accumulated amortization (Note 6)	19,802	20,890
	<u>\$31,501</u>	<u>\$33,072</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accruals	\$ 704	\$ 1,137
Salaries and benefits payable	2,276	2,349
Deferred revenue (Note 7)	2,214	1,540
Current portion of obligations under capital leases	411	387
Deferred contributions (Note 8)	—	391
	<u>5,605</u>	<u>5,804</u>
Obligations under capital leases (Note 9)	—	411
Pension liability (Note 10)	2,965	2,893
Deferred capital contributions (Note 11)	15,117	15,516
	<u>23,687</u>	<u>24,624</u>
Net assets		
Investment in capital assets (Note 6)	4,274	4,576
Endowments (Note 12)	2,123	2,059
Unexpended net assets (Note 13)	1,417	1,813
	<u>7,814</u>	<u>8,448</u>
	<u>\$31,501</u>	<u>\$33,072</u>
Approved on behalf of the Governing Council		

R.S. Aberg
Chairman

Dr. D. Abrioux
President

The accompanying notes are part of
these consolidated financial statements.

ATHABASCA UNIVERSITY
 CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 1995
 (thousands of dollars)

	1995		1994
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 18)		(As restated) (Note 3)
Revenue			
Government sources	\$15,590	\$16,129	\$17,865
Student fees	5,375	6,269	5,423
Sales of goods and services	1,984	2,327	2,341
Development seminar fees	1,513	1,582	976
Interest	435	508	476
Donations	—	21	7
	<u>24,897</u>	<u>26,836</u>	<u>27,088</u>
Amortization of deferred capital contributions (Note 11)	—	790	902
	<u>24,897</u>	<u>27,626</u>	<u>27,990</u>
Expense			
Salaries and benefits	16,373	16,677	18,047
Fees and purchased services	2,446	4,032	2,778
Communications and travel	1,744	2,529	2,391
Materials and supplies	2,176	2,271	2,006
Amortization of capital assets	—	2,072	2,314
Insurance, utilities and taxes	473	484	458
Facilities rental and maintenance	263	195	298
Career transition program	—	—	1,112
	<u>23,475</u>	<u>28,260</u>	<u>29,404</u>
Excess (deficiency) of revenue over expense	<u>\$ 1,422</u>	<u>(634)</u>	<u>(1,414)</u>
Net assets at beginning of year, as restated (Note 3(d))		8,448	9,862
Net assets at end of year		<u>\$ 7,814</u>	<u>\$ 8,448</u>

ATHABASCA UNIVERSITY
 CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED MARCH 31, 1995
 (thousands of dollars)

	1995	1994
		(As restated) (Note 3)
Cash provided from (used in) operating activities		
Deficiency of revenue over expense	\$ (634)	\$(1,414)
Items not affecting cash flow:		
Amortization of capital assets	2,072	2,314
Amortization of deferred capital contributions	(790)	(902)
	648	(2)
Net increase (decrease) in non-cash working capital	(605)	1,166
Increase in pension liability	72	197
	<u>115</u>	<u>1,361</u>
Cash provided from (used in) investing activities		
Deferred course development costs	(161)	—
Capital asset acquisitions	(984)	(2,007)
Deferred capital contributions	391	(54)
	<u>(754)</u>	<u>(2,061)</u>
Cash provided from (used in) financing activities		
Capital lease payments	(387)	(436)
Proceeds of capital leases	—	1,234
	<u>(387)</u>	<u>798</u>
Increase (decrease) in total cash and short-term investments	<u>(1,026)</u>	<u>98</u>
Total cash and short-term investments at beginning of year	8,932	8,834
Total cash and short-term investments at end of year	<u>\$ 7,906</u>	<u>\$ 8,932</u>

ATHABASCA UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995
(thousands of dollars)

Note 1 Authority and Purpose

Athabasca University (the "University") operates under the authority of the Universities Act, Chapter U-5, Revised Statutes of Alberta 1980. It is directed by the Governing Council and offers undergraduate and graduate degree programs through distance education. The University is a registered charity and is exempt from the payment of income taxes.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Consolidation

These financial statements include the accounts of the University, the Athabasca University Development Institute (the "Institute") and Athabasca University Foundation (the "Foundation"). The Institute is incorporated under the Canada Corporations Act as a company without share capital. As the University wholly controls the activities of the Institute, its operating results have been consolidated with those of the University. The Foundation was created in 1991 to raise funds exclusively for the University.

(b) Revenue Recognition

Government operating grants are recognized as revenue, either in the period received, or, where a portion of the grant relates to a future period, it is deferred and recognized in the subsequent period. Revenues received for the provision by the University of goods and services are recognized in the period in which the goods are provided or the services rendered.

Contributions restricted for purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the acquisition of capital assets having a limited life are deferred and recorded as deferred capital contributions in the period in which they are expended. Deferred capital contributions are amortized to revenue over the useful lives of the related assets. Endowment contributions are recognized as direct increases in equity in the period in which they are received. Contributions restricted for the acquisition of non-consumable capital assets are deferred and recognized as direct increases in equity in the period in which they are expended.

(c) Inventory of Course Materials

Inventory of course materials is valued at the lower of cost and net realizable value.

(d) Copyrights

It is the policy of the University to obtain a copyright on all course material produced. These copyrights are recorded at a nominal value of \$1 and included in prepaid expenses.

(e) Deferred Course Development Costs

Costs related to the development of special purpose courses are deferred and amortized over the duration of the course.

(f) Capital Assets

Capital asset acquisitions are recorded at cost, except for donated assets which are recorded at fair value.

Capital assets are amortized on a straight-line basis over the assets' estimated useful lives as follows:

	<u>Years</u>
Buildings and site improvements	40
Furnishings, equipment and software	3-10
Library materials	10

(g) Pension Liability and Expenditure

The University and its eligible employees participate in either the Universities Academic Pension Plan or the Public Service Pension Plan. The University's pension liability is its portion of the pension plans' total unfunded pension liabilities, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portions are based upon the ratio of pensionable earnings of the University's employees to the earnings of all employees in each of the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liabilities, the amortization of deferred adjustments over the expected average remaining service life of employees, and the effect of the change in the ratio used to allocate the plans' total unfunded liabilities to participating entities.

Note 3 Changes in Accounting Policy, Presentation Practice and Prior Period Adjustments

(a) Presentation Practice

In prior years, the financial statements were prepared in accordance with the principles of fund accounting. Commencing 1995, the financial statements are prepared on a non-fund basis.

(b) Amortization of Capital Assets

In prior years, capital assets were recorded as an expense in the year of acquisition. These acquisitions were then capitalized, but no amortization was recorded. In 1995, the University retroactively changed its accounting policy to one of capitalization and amortization. This change has had the effect of increasing expenses by \$2,072 (1994 \$2,314), and decreasing capital assets and investment in capital assets by \$19,736 (1994 \$18,297).

(c) Deferred Capital Contributions

In prior years, contributions restricted for the purchase of capital assets were recognized as revenue when received. During the year the University adopted the proposed recommendations of the Canadian Institute of Chartered Accountants for the treatment of restricted capital contributions as described in Note 2(b). This change, which has been applied retroactively, has had the effect of increasing revenue by \$790 (1994 \$902), increasing deferred capital contributions by \$399 (1994 decrease by \$848) and decreasing deferred contributions by \$391 (1994 increase by \$194).

(d) Course Fee Revenue

In prior years, course fees were recognized as revenue in the year in which the course commenced. During the year the University changed its accounting policy to recognize course fees as revenue over the duration of the course. The change, which has been applied retroactively, has had the effect of decreasing revenue by \$64 (1994 \$46) and increasing deferred revenue by \$461 (1994 \$525).

The effect of the above changes on the net assets at the beginning of the year on the statement of operations and changes to net assets is as follows:

	1995	1994
Fund balances and equity in capital assets at beginning of year, as previously reported	\$ 43,177	\$ 47,077
Accumulated amortization of capital assets	(18,297)	(20,083)
Deferred contributions	(391)	(197)
Deferred capital contributions	(15,516)	(16,364)
Deferred revenue - course fees	(525)	(571)
Net assets at beginning of year, as restated	<u>\$ 8,448</u>	<u>\$ 9,862</u>

Note 4 Loans Receivable

	1995	1994
Staff relocation program	\$ 43	\$ 89
Other employee loans	41	32
	<u>\$ 84</u>	<u>\$ 121</u>

Loans receivable are non-interest bearing, are secured by mortgages or chattel mortgages on specific assets, and are repayable over five years or upon termination of employment. During the year, the staff relocation program was discontinued. Outstanding balances will be repaid as per the terms of the individual agreements.

Note 5 Cash and Short-term Investments

Non-current cash and short-term investments represents funds related to endowments (Note 12) and the University's appropriation for future capital expenditures (Note 13). These funds are subject to restrictions as to their use, and accordingly, are not available for the general operations of the University.

Note 6 Capital Assets and Investment in Capital Assets

	1995		1994	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,392	\$ —	\$ 1,392	\$ 1,392
Buildings, offsite services and improvements	21,765	7,433	14,332	14,994
Furnishings, equipment and software	12,789	9,728	3,061	3,371
Library materials	3,593	2,576	1,017	1,133
	<u>\$ 39,539</u>	<u>\$ 19,737</u>	19,802	20,890
Obligations under capital leases			(411)	(798)
Deferred capital contributions			(15,117)	(15,516)
Investment in capital assets			<u>\$ 4,274</u>	<u>\$ 4,576</u>

Note 7 Deferred Revenue

	1995	1994
Course and seminar fees received in advance	\$1,998	\$1,300
Unexpended project and research funds	216	240
	<u>\$2,214</u>	<u>\$1,540</u>

Note 8 Deferred Contributions

Deferred contributions represent unspent capital funds. Changes in the deferred contributions balance are as follows:

	1995	1994
Capital contributions received during the year from Province of Alberta	\$ —	\$ 248
Transferred to deferred capital contributions (Note 11)	(391)	(54)
Increase (decrease) during the year	(391)	194
Balance at beginning of year	391	197
Balance at end of year	<u>\$ —</u>	<u>\$ 391</u>

Note 9 Obligations Under Capital Leases

The obligations are secured by the equipment under capital leases. The remaining lease balances are due during the fiscal year ending March 31, 1996.

Note 10 Pension Liability

The University participates with other employers in two defined benefit pension plans, the Universities Academic Pension Plan and the Public Service Pension Plan. The University's share of the net unfunded past service liability of the Universities Academic Pension Plan, based on an actuarial valuation performed as at December 31, 1994 and extrapolated to March 31, 1995, is to be fully funded by December 31, 2043 through contributions by the University. The University's share of the net unfunded past service liability of the Public Service Pension Plan, based on an actuarial valuation performed as at December 31, 1993 and extrapolated to March 31, 1995, is to be fully funded by December 31, 2036 through contributions by the University. Current service obligations of both plans are to be fully funded by participating employees and the University. Contributions to fund both current and past service costs are determined by periodic actuarial valuation.

The University's unfunded pension liability at March 31, 1995 is as follows:

	1995	1994
Universities Academic Pension Plan	\$2,616	\$2,570
Public Service Pension Plan	349	323
	<u>\$2,965</u>	<u>\$2,893</u>

Note 11 Deferred Capital Contributions

	1995	1994
Balance at beginning of year	\$15,516	\$16,364
Add (deduct):		
Amount transferred from deferred contributions (Note 8)	391	54
Amortized to revenue	(790)	(902)
Balance at end of year	<u>\$15,117</u>	<u>\$15,516</u>

Note 12 Endowments

Endowments consist of restricted donations to the University, the principal of which is required to be maintained intact. The investment income generated from endowments must be used in accordance with the purposes specified by the donors or the Governing Council.

	1995	1994
Balance at beginning of year	\$2,059	\$2,040
Add (deduct):		
Investment income	179	149
Expenditures and transfers	(115)	(130)
	64	19
Balance at end of year	<u>\$2,123</u>	<u>\$2,059</u>

Note 13 Unexpended Net Assets

The balance of Unexpended Net Assets includes \$1,295 which the Governing Council has designated for future major capital expenditures.

Note 14 Contingent Liability

The University, in the ordinary course of business, is a defendant in various lawsuits from time to time. Management makes provision in the accounts for their best estimate of the potential losses as a consequence of such claims. Settlements in excess of amounts provided for are recorded as an expense in the year of settlement.

Note 15 Lease Commitments

The University is committed to operating leases for facilities with the following annual payments:

1996	\$140
1997	\$122
1998	\$127
1999	\$135
2000	\$ 95

The University is also required to pay a pro rata share of operating expenditures of the facilities.

Note 16 Salary Disclosure

A Treasury Board directive under the Financial Administration Act of the Province of Alberta requires the disclosure of salary and employee benefit information.

	1995				1994	
	Number of Individuals	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Number of Individuals	Total
(thousands of dollars)						
Governing Council						
Chairman of Governing Council	1.0	\$ —	\$ —	\$ —	1	\$ 3
Governing Council members	19.0	—	—	—	26	23
	<u>20.0</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27</u>	<u>26</u>
Executive Officers						
President ⁽³⁾	1.0	142	38	180	1	211
Vice-Presidents ⁽⁴⁾						
Academic (average 1995 \$133)	1.7	168	58	226	1	140
Finance and Administration	1.0	109	45	154	1	145
Development	1.0	109	33	142	1	149
Associate Vice-Presidents						
Finance and Administration	1.0	96	25	121	1	129
Learning and Academic Services	1.0	83	40	123	1	117
	<u>6.7</u>	<u>707</u>	<u>239</u>	<u>946</u>	<u>6</u>	<u>891</u>
Deans (average 1995 \$88, 1994 \$104)	4.0	268	83	351	4	417
Managers (average 1995 \$82, 1994 \$77)	12.0	817	172	989	12	918
Salaried Employees ⁽⁵⁾						
Academic/Professional (average 1995 \$63, 1994 \$69)	103.0	4,806	1,673	6,479	118	8,102
Support (average 1995 \$35, 1994 \$41)	99.0	2,868	612	3,480	99	4,051
	<u>202.0</u>	<u>7,674</u>	<u>2,285</u>	<u>9,959</u>	<u>217</u>	<u>12,153</u>
Non-salaried Employees						
Tutors (average 1995 \$13, 1994 \$12)	170.0	1,979	303	2,282	216	2,684
Other	—	1,087	145	1,232	—	1,142
	<u>170.0</u>	<u>3,066</u>	<u>448</u>	<u>3,514</u>	<u>216</u>	<u>3,826</u>
Total	<u>414.7</u>	<u>\$12,532</u>	<u>\$ 3,227</u>	<u>\$15,759</u>	<u>482</u>	<u>\$18,231</u>

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, honoraria, and any other direct cash remuneration.
- (2) The employer's share of all employee benefits and contributions includes payments made on behalf of employees for vacation payouts, pension, health care, dental, vision, group life insurance, accidental death and dismemberment insurance, long and short-term disability plans, professional memberships, tuition, supplemental unemployment benefits, research and study leaves, professional development allowances (excluding approved travel related costs) and travel insurance. Executive Officers and Academic Managers accrue administrative leave benefits equivalent to 16.7% of their base salary on an annual basis. Managers and excluded professional staff accrue flexible benefits equivalent to an additional 10% of their base salary per annum.
- (3) An automobile is provided to the President but no amount is included in the benefit and allowance figure.
- (4) As the incumbent Vice-President Academic was on leave during portions of the current fiscal year, and the position was filled by individuals in an acting capacity, this position reflects more than one full time equivalent.
- (5) Salaried employees consist of individuals who work 29 hours or more per week. Numbers of individuals are reported on a full time equivalent basis except for tutor, casual and temporary employee categories. Tutor numbers represent the average of the actual number of employees on staff at the end of each month during the fiscal year. Other staff, which includes casual and temporary employee categories, are represented by the actual number of employees on staff at year end.

Note 17 Centre For Innovative Management

The University's Centre For Innovative Management (the "Centre") commenced delivering the Master of Business Administration program in a non-classroom environment in October 1994. The Centre, which operates as a University unit, reports to a committee of the University's Governing Council.

Financial information included in these financial statements relating to the Centre is as follows:

Net Assets	<u>\$ 772</u>
Revenue	\$ 404
Expenses	<u>(1,080)</u>
Loss for the year	<u>\$ 676</u>

Note 18 Budget

The budget, which was approved by the Governing Council on April 14, 1994, is presented for comparison with the actual results. The budget did not include amortization of capital assets, amortization of deferred capital contributions or operations related to the Centre For Innovative Management. Restricted fund revenues and expenditures were not budgeted. The actual amount for these revenues and expenditures were \$455 and \$281, respectively.

Note 19 Comparative Figures

Certain 1994 comparative figures have been reclassified to conform to 1995 presentation.

ATHABASCA UNIVERSITY DEVELOPMENT INSTITUTE
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Net Expenditure
Notes to the Financial Statements

AUDITOR'S REPORT

To the Members of the Athabasca
University Development Institute

I have audited the balance sheet of the Athabasca University Development Institute as at March 31, 1995 and the statement of net expenditure for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Canada Corporations Act, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 9, 1995

ATHABASCA UNIVERSITY DEVELOPMENT INSTITUTE
BALANCE SHEET
MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSET		
Cash	<u>\$6,332</u>	<u>\$8,899</u>
LIABILITY		
Due to Athabasca University	<u>\$6,332</u>	<u>\$8,899</u>

The accompanying notes are part
of these financial statements.

ATHABASCA UNIVERSITY DEVELOPMENT INSTITUTE
STATEMENT OF NET EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
Expenditure		
Travel and promotion	\$ 7,129	\$16,139
Fees and contract labour	5,839	16,941
Office supplies	1,549	8,058
Communications	522	3,124
Office rent and maintenance	460	8,483
	<u>15,499</u>	<u>52,745</u>
Less contribution from Athabasca University	<u>15,499</u>	<u>52,745</u>
Net expenditure	<u>\$ —</u>	<u>\$ —</u>

ATHABASCA UNIVERSITY DEVELOPMENT INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Athabasca University Development Institute (the "Institute") is incorporated under the provisions of Part II of the Canada Corporations Act as a Company without share capital.

The purpose of the Institute is to raise funds for and increase international development of Athabasca University, and to conduct research on continuing education.

Note 2 Changes in Financial Position

A statement of changes in financial position is not provided as it would not provide additional meaningful information.

Note 3 Economic Dependence

The Institute is wholly-controlled by, and dependent upon Athabasca University for the resources required to fulfil its purpose.

Note 4 Approval of Financial Statements

These financial statements have been approved by the Executive Committee of the Institute.

ATHABASCA UNIVERSITY FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Surplus
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Trustees of the Athabasca
University Foundation

I have audited the balance sheet of the Athabasca University Foundation as at March 31, 1995 and the statement of revenue, expenditure and surplus for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 9, 1995

ATHABASCA UNIVERSITY FOUNDATION
BALANCE SHEET
MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Cash	\$17,500	\$ 2,500
Due from Athabasca University	<u>14,854</u>	<u>19,128</u>
	<u>\$32,354</u>	<u>\$21,628</u>
SURPLUS		
Surplus	<u>\$32,354</u>	<u>\$21,628</u>

The accompanying notes are part of these financial statements.

ATHABASCA UNIVERSITY FOUNDATION
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
Revenue		
Grant from Athabasca University	\$ —	\$25,000
Donations	<u>15,000</u>	<u>6,625</u>
	<u>15,000</u>	<u>31,625</u>
Expenditure		
Travel and development	2,525	15,551
Office rent and maintenance	1,397	4,324
Communications	352	774
In-kind supplies	—	3,025
Fees and contract labour	—	643
Office supplies	<u>—</u>	<u>452</u>
	<u>4,274</u>	<u>24,769</u>
Excess of revenue over expenditure for the year	10,726	6,856
Surplus at beginning of year	21,628	14,772
Surplus at end of year	<u>\$32,354</u>	<u>\$21,628</u>

ATHABASCA UNIVERSITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Athabasca University Foundation (the "Foundation") was established by regulation on December 5, 1991 under the provisions of the Advanced Education Foundations Act, Chapter A-2.5, Statutes of Alberta 1991.

The Foundation is administered by an appointed Board of Trustees and its principle purpose is to receive gifts of real and personal property and to provide grants and property to Athabasca University to support and promote the educational and research activities of the University.

Note 2 Changes in Financial Position

A statement of changes in financial position is not provided as it would not provide additional meaningful information.

Note 3 Approval of Financial Statements

These financial statements have been reviewed by management and recommended for approval to the Foundation's Board of Trustees.

THE BANFF CENTRE FOR CONTINUING EDUCATION
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Operations
Statement of Changes in Net Assets
Statement of Sources and Uses of Cash
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
The Banff Centre for Continuing Education

I have audited the balance sheet of The Banff Centre for Continuing Education as at March 31, 1995 and the statements of operations, changes in net assets and sources and uses of cash for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of The Banff Centre for Continuing Education as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 19, 1995

THE BANFF CENTRE FOR CONTINUING EDUCATION
BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets:		
Cash and short-term investments	\$ 2,660,168	\$ 292,347
Accounts receivable (Note 3)	1,803,882	2,692,025
Inventories	310,231	306,634
Prepaid expenses	338,040	184,990
	<u>5,112,321</u>	<u>3,475,996</u>
Investments (market value \$4,586,119; 1994 \$4,737,125)	4,223,608	4,339,745
Capital assets less accumulated amortization (Note 4)	39,100,008	40,256,249
	<u>\$48,435,937</u>	<u>\$48,071,990</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 1,225,120	\$ 1,583,892
Deferred revenue	388,885	470,098
Long-term debt due within one year (Note 5)	166,274	170,281
Accrued vacation pay	543,121	600,515
	<u>2,323,400</u>	<u>2,824,786</u>
Unexpended contributions (Note 6)	2,441,057	1,352,632
Long-term debt (Note 5)	1,463,679	1,631,185
Pension liability (Note 7)	1,899,000	1,580,000
	<u>8,127,136</u>	<u>7,388,603</u>
Net assets:		
Investment in capital assets	37,470,055	38,454,783
Endowments	4,109,128	4,098,070
Board restricted	—	70,374
Deficit (Note 8)	(1,270,382)	(1,939,840)
	<u>40,308,801</u>	<u>40,683,387</u>
	<u>\$48,435,937</u>	<u>\$48,071,990</u>

The accompanying notes are part
of these financial statements.

THE BANFF CENTRE FOR CONTINUING EDUCATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	Budget (Note 14)	Actual	Actual
Revenue:			
Base operating grant (Note 9)	\$12,777,682	\$12,777,682	\$13,941,746
Accommodation	6,058,912	6,522,550	5,591,661
Tuition and related fees	3,993,818	3,721,450	4,069,899
Sales, rentals and services	2,545,400	3,183,590	2,374,435
Donations, other grants and other contributions (Note 9)	1,876,969	1,834,186	3,027,818
Investment income	255,640	438,963	452,777
	<u>27,508,421</u>	<u>28,478,421</u>	<u>29,458,336</u>
Expense:			
Salaries, wages and benefits (Note 10)	14,248,991	14,277,250	15,213,910
Unfunded pension costs (Note 7)	—	319,000	92,000
Severance and retirement allowances	92,445	321,244	222,856
Scholarships and financial assistance	2,656,359	2,614,504	3,394,379
Supplies and materials	2,121,453	2,504,102	2,667,862
Facility costs	1,829,915	1,978,127	1,887,718
Purchased services	1,705,112	1,771,556	1,858,000
Travel and related	1,485,997	1,551,704	1,676,454
Calendars and promotion	551,713	633,891	579,410
Vehicles and equipment	785,751	576,688	916,245
Financial costs	170,159	231,684	221,987
	<u>25,647,895</u>	<u>26,779,750</u>	<u>28,730,821</u>
Income before amortization and loss on disposal of capital assets	1,860,526	1,698,671	727,515
Amortization of capital assets	2,306,000	2,324,087	2,269,717
Loss on disposal of capital assets (Note 4)	—	203,384	644,007
	<u>2,306,000</u>	<u>2,527,471</u>	<u>2,913,724</u>
Net income (loss) (Note 8)	<u>\$ (445,474)</u>	<u>\$ (828,800)</u>	<u>\$ (2,186,209)</u>

THE BANFF CENTRE FOR CONTINUING EDUCATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 1995

	Investment in Capital Assets	Endowments	Capital Reserve	Deficit	Total
Balance at beginning of year	\$38,454,783	\$ 4,098,070	\$ 70,374	\$ (1,939,840)	\$40,683,387
Net income (loss)	(2,527,471)	—	—	1,698,671	(828,800)
Capital acquisitions:					
Externally funded	483,516	—	—	—	483,516
Internally funded	895,563	—	—	(895,563)	—
Repayment of long-term debt	171,513	—	—	(171,513)	—
Proceeds on disposal of capital assets	(7,849)	—	—	7,849	—
Endowments received	—	45,015	—	(40,360)	4,655
Endowments returned	—	(33,957)	—	—	(33,957)
Board allocated reserve	—	—	(70,374)	70,374	—
Balance at end of year	<u>\$37,470,055</u>	<u>\$ 4,109,128</u>	<u>\$ —</u>	<u>\$ (1,270,382)</u>	<u>\$40,308,801</u>

THE BANFF CENTRE FOR CONTINUING EDUCATION
STATEMENT OF SOURCES AND USES OF CASH
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Operating activities		
Cash flow from operations		
Net income (loss) for the year	\$ (828,800)	\$ (2,186,209)
Amortization of capital assets	2,324,087	2,269,717
Loss on disposal of capital assets	203,384	644,007
Change in other restricted unexpended contributions	(192,751)	(275,430)
Change in pension liability	319,000	92,000
	<u>1,824,920</u>	<u>544,085</u>
Net change in working capital	<u>234,117</u>	<u>(112,361)</u>
	<u>2,059,037</u>	<u>431,724</u>
Investing activities		
Purchase of capital assets	(1,379,079)	(2,520,296)
Proceeds from disposal of capital assets	7,849	2,323
Proceeds from sale of investments	116,137	365,650
	<u>(1,255,093)</u>	<u>(2,152,323)</u>
Financing activities		
Capital contributions	1,764,692	735,500
Proceeds from long-term debt	—	251,127
Principal repayments of long-term debt	(171,513)	(163,548)
Endowments received	4,655	3,025
Endowment returned	(33,957)	—
	<u>1,563,877</u>	<u>826,104</u>
Net increase (decrease) in cash	<u>2,367,821</u>	<u>(894,495)</u>
Cash and short-term investments, beginning of year	292,347	1,186,842
Cash and short-term investments, end of year	<u>\$ 2,660,168</u>	<u>\$ 292,347</u>

THE BANFF CENTRE FOR CONTINUING EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Banff Centre for Continuing Education operates under the authority of the Banff Centre Act, Chapter B-1, Revised Statutes of Alberta 1980, as amended. The Centre is exempt under the Income Tax Act from payment of income tax.

The Centre provides to the public the opportunity of access to a broad range of learning experience with emphasis on the fine arts, management studies, language training, and environmental training.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost.

(b) Investments

Investments are recorded at cost. Gains and losses on investments are recognized at liquidation, or when there is a permanent impairment in the value of an investment.

(c) Capital Assets

Capital assets are recorded at cost, except for donated assets which are recorded at fair value. Capital assets, except property under development and artwork collection, are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	20 years
Buildings and improvements	50 years
Furnishings and equipment	10 years

(d) Pension Liability and Expenditure

The Centre's pension liability is its portion of the pension plans' total unfunded pension liability, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Centre's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liability, the amortization of deferred adjustments over the expected average remaining service life of employees, and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

(e) Recognition of Revenue and Contributions

Revenue received for provision by the Centre of goods or services is recognized when the goods or services are provided. Unrestricted contributions are recognized as revenue when received. Contributions restricted for other than capital assets are recognized as revenue to the extent of related expenditures; the unexpended amount is deferred. Contributions restricted for capital assets are recognized as direct increases in net assets to the extent of related expenditures; the unexpended amount is deferred. Endowments are recognized as direct increases in net assets when received.

(f) Pledges Receivable

Pledges receivable are not recorded as assets in these financial statements.

Note 3 Accounts Receivable

	1995	1994
Trade accounts receivable	\$1,208,673	\$1,352,651
Accrued investment income	425,415	761,007
Grants receivable	169,794	578,367
	<u>\$1,803,882</u>	<u>\$2,692,025</u>

Note 4 Capital Assets

	1995		1994	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land improvements	\$ 1,892,779	\$ 1,139,684	\$ 753,095	\$ 847,734
Buildings and improvements	47,991,181	17,535,615	30,455,566	31,306,051
Property under development	377,727	—	377,727	—
Furnishings and equipment	19,284,025	12,748,814	6,535,211	7,060,955
Equipment under capital lease	361,946	58,358	303,588	387,766
Artwork collection	674,821	—	674,821	653,743
	<u>\$70,582,479</u>	<u>\$31,482,471</u>	<u>\$39,100,008</u>	<u>\$40,256,249</u>

Land is leased from the Government of Canada. The current lease has a term of 42 years, expiring March 31, 2022, and is renewable.

The loss on disposal of capital assets on the statement of operations includes the net book value of prior renovations in the amount of \$128,793 (1994 \$391,575) which were replaced by renovations during the year.

Note 5 Long-term Debt

	Maturity Date	Interest Rate	Amount Outstanding	
			1995	1994
Debenture				
Corbett Hall	May 1, 1998	7.500%	\$ 103,285	\$ 128,226
Note payable				
Lloyd Hall third wing	July 4, 1996	10.950%	1,319,261	1,385,202
Capital leases				
Telephone equipment	December 31, 1994	13.435%	—	6,565
Computer equipment	February 28, 1995	13.064%	—	8,836
Telephone equipment	May 1, 1996	13.141%	27,070	45,838
Automotive equipment	June 1, 1996	12.953%	6,339	11,075
Central computer	July 1, 1998	11.650%	173,998	215,724
			1,629,953	1,801,466
Less: Principal payments due within one year			166,274	170,281
			<u>\$1,463,679</u>	<u>\$1,631,185</u>

The note payable is guaranteed by the Province of Alberta.

	1995	1994
Interest expense		
Debenture and note payable	\$153,696	\$161,574
Capital leases	30,175	18,928
	<u>\$183,871</u>	<u>\$180,502</u>

Principal and minimum lease payments for the next four years:

Year ending	Note and	Capital Leases		Operating	
March 31	Debentures	Payment	Interest	Leases	Total
1996	\$ 92,788	\$ 94,749	\$ (21,263)	\$ 20,215	\$ 186,489
1997	1,282,218	72,006	(12,780)	17,946	1,359,390
1998	31,106	65,078	(6,190)	699	90,693
1999	16,433	16,270	(459)	—	32,244

Management plans to renew the note payable maturing on July 4, 1996.

Note 6 Unexpended Contributions

	Capital	Other Restricted	Total 1995	Total 1994
Balance at beginning of year	\$ 606,222	\$ 746,410	\$ 1,352,632	\$ 2,066,807
Contributions received during the year	1,764,692	514,058	2,278,750	1,368,769
Expended during the year	(483,516)	(706,809)	(1,190,325)	(2,082,944)
Balance at end of year	<u>\$ 1,887,398</u>	<u>\$ 553,659</u>	<u>\$ 2,441,057</u>	<u>\$ 1,352,632</u>

Note 7 Pension Liability

The Centre participates with other employers in the Public Service and Universities Academic pension plans. These plans provide pensions for the Centre's employees based on years of service and earnings.

The pension liability of the Centre for each plan as at March 31 was estimated as follows:

	1995	1994
Public Service Pension Plan	\$ 568,000	\$ 571,000
Universities Academic Pension Plan	<u>1,331,000</u>	<u>1,009,000</u>
	<u>\$1,899,000</u>	<u>\$1,580,000</u>

The Public Service Pension Plan liability is to be eliminated on or before December 31, 2036, and the Universities Academic Pension Plan liability is to be eliminated on or before December 31, 2043.

The total unfunded pension liability for each plan as at March 31, 1995, was determined by actuarial valuations, as at December 31, 1993 for the Public Service plan and as at December 31, 1994, for the Universities Academic plan, both extrapolated to March 31, 1995. The 1994 comparative figures were based on extrapolations of December 31, 1991 actuarial valuations.

The Public Sector Pension Plans Act specifies the basis to determine the amount of the total unfunded liability for each plan which will be funded by employers.

Note 8 Deficit

Prior to March 31, 1994, none of Alberta's universities accounted for unfunded pension liabilities. A change in legislation required that the Centre record this liability in its Balance Sheet and Statement of Operations. The impact of accruing for these costs on the accumulated deficit is \$1,899,000 at March 31, 1995 (\$1,580,000 1994) and on the net loss is \$319,000 for the year ended March 31, 1995 (\$92,000 1994). The impact on cash flow is the premium required to cover the increased liability.

Note 9 Grants, Contributions and Donations

	1995	1994
Base operating grant:		
Province of Alberta, Department of Advanced Education and Career Development	<u>\$12,777,682</u>	<u>\$13,941,746</u>
Other grants, contributions and donations:		
Other grants:		
Province of Alberta	107,710	81,955
Government of Canada	<u>729,663</u>	<u>1,299,472</u>
	837,373	1,381,427
Other contributions and donations	<u>996,813</u>	<u>1,646,391</u>
	<u>1,834,186</u>	<u>3,027,818</u>
	<u>\$14,611,868</u>	<u>\$16,969,564</u>

Note 10 Salaries, Wages and Benefits Expense

	1995				1994	
	FTE	Salary ^{(a)(b)}	Benefits and Allowances ^(c)	Total	FTE	Total
Chairman of Board	1.0	\$ —	\$ —	\$ —	1.0	\$ —
Board members	14.0	—	—	—	14.0	—
Subtotal	15.0	—	—	—	15.0	—
President ^{(d)(e)}	1.0	178,750	12,469	191,219	1.0	136,381
Executive Vice-President:						
Finance and Administration ^(e)	1.0	122,805	12,106	134,911	1.0	119,709
Vice-Presidents:						
Centre for the Arts ^(e)	1.0	110,350	11,997	122,347	1.0	110,880
Centre for Conferences ^(e)	1.0	106,687	12,100	118,787	1.0	96,740
Centre for Management ^(e)	0.9	82,333	10,370	92,703	—	—
Development ^(f)	—	—	—	—	1.0	96,647
International Institute for Innovation ^(f)	—	—	—	—	1.0	105,854
General Manager:						
Centre for Management ^(f)	—	—	—	—	1.0	83,343
Other Managers (average 1995 \$68,248, 1994 \$60,186)	35.0	2,093,955	294,736	2,388,691	36.3	2,184,753
Other salaried staff:						
Academic (average 1995 \$62,188, 1994 \$57,893)	11.8	651,028	82,796	733,824	16.0	926,288
Professional and supervisory (average 1995 \$46,776, 1994 \$—)	15.3	608,909	106,761	715,670	—	—
Support (average 1995 \$26,292, 1994 \$29,024)	211.2	4,934,626	618,260	5,552,886	247.7	7,189,283
Personal services and sessional contracts ^(g) (average 1995 \$64,528, 1994 \$62,706)	37.8	2,354,213	84,943	2,439,156	41.4	2,596,043
Non-salaried staff ^(h)	—	1,671,483	115,573	1,787,056	—	1,567,989
	<u>331.0</u>	<u>\$12,915,139</u>	<u>\$ 1,362,111</u>	<u>\$14,277,250</u>	<u>363.4</u>	<u>\$15,213,910</u>

(a) Salary includes regular base pay, bonuses, overtime, lump sum payments and any other direct cash remuneration. There have been no general increases in base pay over the past three years.

(b) Prior to 1994-95, incentive compensation earned during a fiscal year was awarded and expensed in the following year. Beginning with the 1994-95 fiscal year, incentive compensation earned during the year was accrued and expensed during the year. As a result, the salary data for 1994-95 includes incentive compensation for the two years ended March 31, 1995.

(c) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension plans, unemployment insurance, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, and professional memberships.

(d) Automobile provided, no amount included in the benefits and allowances figure.

(e) Housing provided, no amount included in the benefits and allowances figure.

(f) Compensation paid through Alberta Interchange Program, no benefits or allowances paid by the Centre.

(g) Personal services and sessional contracts include all sessional faculty, sessional administrative and support personnel.

(h) Non-salaried staff includes all temporary and casual employees.

(i) Position abolished.

Note 11 Pledges Receivable

The estimated realizable value of pledges receivable as at March 31, 1995, is \$2,086,100 (1994 \$1,305,400).

Note 12 Commitment

Effective May 1, 1994, the Centre contracted for facility management services, including reprographics and document distribution, at an annual cost of \$551,568 for five years.

Note 13 Planned Capital Expenditures

The Centre has designated future capital expenditures for institutional purposes in the amount of \$630,519 (1994 \$411,671), and for staff housing in the amount of \$239,118 (1994 \$70,374).

Note 14 Budget

The budget was approved by the Board of Governors on July 22, 1994 and is presented for comparison with the actual results.

Note 15 Comparative Figures

Certain 1994 comparative figures have been reclassified to conform to 1995 presentation.

Note 16 Approval of Financial Statements

These financial statements were approved by the Board of Governors of The Banff Centre for Continuing Education.

FAIRVIEW COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Statement of Restricted Funds
Notes to the Financial Statements
Schedule of Salaries and Benefits

AUDITOR'S REPORT

To the Board of Governors of
Fairview College

I have audited the statement of financial position of Fairview College as at June 30, 1994 and the statements of changes in fund balances, changes in equity in capital assets, reserves and restricted funds for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
September 30, 1994

FAIRVIEW COLLEGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	1994	1993
ASSETS		
Cash	\$ 521,448	\$ 1,165,909
Accounts receivable	684,545	786,629
Inventories (Note 4)	519,338	553,420
Prepaid expenses	46,357	38,685
Investments (Note 5)	7,375,705	6,499,422
Capital assets (Note 6)	58,182,306	58,893,772
	<u>\$67,329,699</u>	<u>\$67,937,837</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable	\$ 1,257,554	\$ 1,534,619
Accrued vacation pay	658,207	689,489
Deferred revenue (Note 7)	125,293	261,399
Funds held on behalf of others (Note 8)	258,207	235,725
Pension liability (Notes 3 and 9)	822,000	—
	<u>3,121,261</u>	<u>2,721,232</u>
Equity in capital assets	58,182,306	58,893,772
Fund balances		
Operating	—	101,547
Capital	148,737	320,413
Restricted	1,276,812	1,159,299
	<u>1,425,549</u>	<u>1,581,259</u>
Reserves	4,600,583	4,741,574
	<u>6,026,132</u>	<u>6,322,833</u>
	<u>\$67,329,699</u>	<u>\$67,937,837</u>

The accompanying notes and schedule are
part of these financial statements.

FAIRVIEW COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	Operating Fund		Capital	Restricted	Total	Total
	<u>Budget</u>	<u>Actual</u>	<u>Fund</u>	<u>Fund</u>	<u>1994</u>	<u>1993</u>
	(Note 15)					
Revenue:						
Grants, Province of Alberta (Note 10)	\$12,018,707	\$12,418,403	\$ 452,800	\$ —	\$12,871,203	\$13,321,679
Sales of goods and services (Note 11)	1,568,466	1,435,042	—	—	1,435,042	1,411,515
Contract programs	—	871,608	—	—	871,608	1,257,000
Tuition fees	890,348	830,678	—	—	830,678	759,514
Refunds and cost recoveries	596,706	573,562	—	—	573,562	463,840
Investment	325,000	387,726	9,303	73,416	470,445	476,288
Donations	—	37,383	57,600	122,073	217,056	1,030,092
Proceeds from disposal of capital assets	—	—	61,643	—	61,643	20,276
	<u>15,399,227</u>	<u>16,554,402</u>	<u>581,346</u>	<u>195,489</u>	<u>17,331,237</u>	<u>18,740,204</u>
Expenditure (Note 12):						
Direct instruction	6,186,962	6,982,798	—	—	6,982,798	7,465,740
Support services	4,162,541	3,635,899	352,358	—	3,988,257	4,558,948
Cost of goods and services (Note 11)	1,366,206	1,315,677	—	—	1,315,677	1,262,878
Educational management	1,084,084	1,051,725	—	—	1,051,725	1,102,742
Indirect instruction	903,531	827,014	—	—	827,014	853,522
Financial management	629,944	599,348	—	—	599,348	576,617
Student services	523,482	517,495	—	66,795	584,290	676,921
Board and President	357,477	354,413	—	—	354,413	295,964
Community services	—	270,454	—	—	270,454	238,385
Increase in unfunded pension liability (Note 3)	—	13,000	—	—	13,000	—
Acquisition of capital assets	—	—	831,962	—	831,962	1,243,513
	<u>15,214,227</u>	<u>15,567,823</u>	<u>1,184,320</u>	<u>66,795</u>	<u>16,818,938</u>	<u>18,275,230</u>
Excess (deficiency) of revenue over expenditure	185,000	986,579	(602,974)	128,694	512,299	464,974
Inter-fund transfers	—	(405,985)	417,166	(11,181)	—	—
Reserves						
Returned to fund balances	—	254,828	495,451	—	750,279	1,361,721
Appropriated from fund balances	(185,000)	(127,969)	(481,319)	—	(609,288)	(1,281,870)
Change in fund balances for the year	<u>\$ —</u>	<u>707,453</u>	<u>(171,676)</u>	<u>117,513</u>	<u>653,290</u>	<u>544,825</u>
Fund balances at beginning of year as previously reported		101,547	320,413	1,159,299	1,581,259	1,036,434
Adjustment for pension liability (Note 3)		(809,000)	—	—	(809,000)	—
Fund balances at beginning of year as restated		<u>(707,453)</u>	<u>320,413</u>	<u>1,159,299</u>	<u>772,259</u>	<u>1,036,434</u>
Fund balances at end of year		<u>\$ —</u>	<u>\$ 148,737</u>	<u>\$ 1,276,812</u>	<u>\$ 1,425,549</u>	<u>\$ 1,581,259</u>

FAIRVIEW COLLEGE
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$58,893,772	\$57,795,911
Add: Acquisition of capital assets	831,962	1,243,513
	<u>59,725,734</u>	<u>59,039,424</u>
Deduct: Write down of capital assets below capitalization threshold	1,219,248	—
Disposal of capital assets	324,180	145,652
Balance at end of year	<u>\$58,182,306</u>	<u>\$58,893,772</u>

FAIRVIEW COLLEGE
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Returned to Fund Balances	Appropriated from Fund Balances	Balance at End of Year
Operating				
Residence renovations	\$1,141,228	\$ 164,955	\$ 71,487	\$1,047,760
Capital to operating conversion	458,266	76,652	—	381,614
Livestock	243,370	935	—	242,435
Enrolment increase	79,392	12,286	—	67,106
Vacation pay	—	—	31,282	31,282
Professional development	22,468	—	8,364	30,832
Farm operations	—	—	16,836	16,836
	<u>1,944,724</u>	<u>254,828</u>	<u>127,969</u>	<u>1,817,865</u>
Capital				
Campus renovations	1,075,717	99,553	289,217	1,265,381
Site utilities	795,887	—	105,968	901,855
Facilities construction	192,227	52,847	—	139,380
LaCrete facility	300,000	198,145	—	101,855
Activity centre maintenance	54,763	—	43,062	97,825
Financial computer purchase	90,067	—	—	90,067
High Level facility	58,851	19,647	36,409	75,613
Activity centre phase II	41,085	—	—	41,085
Works of art	38,584	—	2,417	41,001
Student registration system	44,944	23,259	2,815	24,500
Peace River expansion	2,725	—	1,431	4,156
Mechanics IV renovation	102,000	102,000	—	—
	<u>2,796,850</u>	<u>495,451</u>	<u>481,319</u>	<u>2,782,718</u>
	<u>\$4,741,574</u>	<u>\$ 750,279</u>	<u>\$ 609,288</u>	<u>\$4,600,583</u>

FAIRVIEW COLLEGE
STATEMENT OF RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Revenue	Expenditure and Transfers	Balance at End of Year
Endowment funds:				
Harley-Davidson	\$ 130,495	\$ 22,995	\$ —	\$ 153,490
Science Fair	112,445	4,783	—	117,228
Lorna Bell Northern Literacy	76,842	30	—	76,872
Marine service technician	76,097	—	—	76,097
Literacy	71,236	2,153	—	73,389
Superintendents' Endowment	60,000	—	—	60,000
Fairview College Students' Association	25,000	17,530	—	42,530
Edmonton Northlands Exhibition Association	40,000	—	—	40,000
Animal health technology	28,174	2,490	—	30,664
Specialty mechanic training	25,330	1,645	—	26,975
Turfgrass management technology	21,283	4,272	—	25,555
Theatre operations	14,444	6,818	—	21,262
Power engineering	20,000	—	—	20,000
Cecil Rolling Scholarship	20,000	—	—	20,000
Fairview College career education scholarship	19,787	—	—	19,787
Mechanic training	17,060	334	—	17,394
Northern field trip	15,000	—	—	15,000
Harley-Davidson MCM	11,506	203	—	11,709
Otto Casper Memorial	10,011	—	—	10,011
Helen Caryk	10,000	—	—	10,000
Other	132,628	21,864	—	154,492
	<u>937,338</u>	<u>85,117</u>	<u>—</u>	<u>1,022,455</u>
Expendable funds	<u>221,961</u>	<u>110,372</u>	<u>(77,976)</u>	<u>254,357</u>
	<u>\$1,159,299</u>	<u>\$ 195,489</u>	<u>\$ (77,976)</u>	<u>\$1,276,812</u>

FAIRVIEW COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Purpose

Fairview College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College is a registered charity under the Income Tax Act (Canada) and is therefore exempt from the payment of income taxes.

The College, a board-governed multi-campus regional college, serves primarily northwestern Alberta with programs leading to careers in agriculture, business administration, trades and related fields.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, generally accepted accounting principles as described by the Canadian Institute of Chartered Accountants Handbook do not include recommendations for accounting measurement of capital assets for non-profit organizations but do recommend that the policy that is followed be disclosed.

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with activities or objectives. These funds are described as follows:

- The operating fund accounts for revenue and expenditure associated with the primary educational activities and ancillary operations of the College comprising the bookstore, student residence, farm, resale trades, cafeteria, and conference centre.
- The capital fund accounts for revenue and expenditure associated with the acquisition and disposal of capital assets and expenditure on assets below the capitalization threshold of the College.
- The restricted fund accounts for donations for which donors or the Board have specified the purpose, including endowments for which the principal is to be held intact.

(c) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College, policies have been established to transfer amounts between funds to achieve the financial objectives of the College.

(d) Inventories

Inventories of merchandise, livestock and supplies are valued at the lower of cost or net realizable value.

(e) Capital Assets

Land, site improvements, furnishings and equipment are recorded at replacement cost and buildings and renovations are recorded at amortized replacement cost, as determined by independent appraisals. The appraisals determined the fair market value as at June 1983 for land and the replacement cost as at June 1986 for the remaining capital assets. Subsequent additions are recorded at cost.

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets. No amortization is recorded.

(f) Revenue and Other Contributions

Operating and capital grants are recognized as revenue in the period received or receivable. The unearned portion of conditional grants is deferred.

Revenue for provision of goods and services is recognized in the period in which the goods are provided or the services are rendered.

Tuition and other fees received for programs in progress or commencing in the next fiscal year are deferred except to the extent of related expenditure.

Donations and other restricted contributions, including endowments, are recognized as revenue in the period received or receivable. Donations of property and services are recorded at fair market value when a fair market value can be reasonably estimated and when the property and services would otherwise have been purchased.

(g) Pension

Pension costs comprise the cost of pension obligations earned by employees during the year and interest on the portion of unfunded pension liabilities which the College has agreed to fund.

(h) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Change in Accounting Policy

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expenditure by \$13,000 and recognizing a pension liability of \$822,000.

Note 4 Inventories

	1994	1993
Livestock	\$242,435	\$243,370
Bookstore	202,909	251,384
Farm	52,261	13,160
Resale trades	12,311	33,532
Other	9,422	11,974
	<u>\$519,338</u>	<u>\$553,420</u>

Note 5 Investments

	1994		1993	
	Book Value	Market Value	Book Value	Market Value
Guaranteed income certificates	\$6,096,845	\$6,096,845	\$5,220,342	\$5,220,342
Mortgage backed securities	978,860	952,900	979,080	984,135
Province of Alberta bonds	300,000	300,000	300,000	300,000
	<u>\$7,375,705</u>	<u>\$7,349,745</u>	<u>\$6,499,422</u>	<u>\$6,504,477</u>

The mortgage backed securities mature in 1996 and can then be redeemed at book value.

Note 6 Capital Assets

	1994		1993	
	Appraisal	Cost	Total	Total
Land	\$ 1,007,000	\$ 40,670	\$ 1,047,670	\$ 1,047,670
Building and renovations	30,433,530	6,022,309	36,455,839	36,113,388
Site improvements	12,365,375	53,935	12,419,310	12,419,310
Furnishings and equipment	—	8,259,487	8,259,487	9,313,404
	<u>\$43,805,905</u>	<u>\$14,376,401</u>	<u>\$58,182,306</u>	<u>\$58,893,772</u>

Purchase option

The Province of Alberta was granted an option to purchase all or any part of the land, buildings and renovations transferred to the College for the amount of \$1 per purchase. The recorded value of the capital assets transferred to the College is \$17,084,446.

Note 7 Deferred Revenue

	1994	1993
Programs in progress	\$ 64,789	\$ 58,320
Tuition fees, memberships and rentals	60,504	89,879
Capital grant	—	113,200
	<u>\$125,293</u>	<u>\$261,399</u>

Note 8 Funds Held on Behalf of Others

	1994	1993
Fairview College Foundation	\$228,943	\$191,282
Task Force on Natives	22,459	26,531
Student associations	6,805	17,912
	<u>\$258,207</u>	<u>\$235,725</u>

Note 9 Pension Liability

The College and its employees participate with other employers in the Local Authorities Pension Plan, a defined benefit pension plan administered by the Local Authorities Pension Plan Board. This Plan provides pensions for College employees based on length of service and earnings.

The total amount of unfunded pension liabilities was determined by the Provincial Treasurer based on an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liabilities which will be funded by employers. The College's portion of that liability was calculated based on the College's percentage of the total pensionable payroll of all employers.

The College's pension liability at June 30, 1994 is \$822,000.

Note 10 Grants, Province of Alberta

Grants from the Province of Alberta, Department of Advanced Education and Career Development are summarized as follows:

	1994	1993
Operating:		
Base and special purpose	\$11,874,441	\$12,023,754
Adult Development Program	543,962	639,925
	<u>12,418,403</u>	<u>12,663,679</u>
Capital:		
General capital	452,800	545,500
Restricted:		
Matching	—	112,500
	<u>\$12,871,203</u>	<u>\$13,321,679</u>

Note 11 Sales and Cost of Goods and Services

	1994	1993
Sales of Goods and Services		
Residence and rental	\$ 628,270	\$ 588,328
Farm	299,341	358,115
Bookstore	280,435	263,804
Resale trades	166,476	162,657
Other	60,520	38,611
	<u>\$1,435,042</u>	<u>\$1,411,515</u>
Cost of Goods and Services		
Residence and rental	\$ 485,227	\$ 432,792
Farm	344,415	387,536
Bookstore	269,984	248,303
Resale trades	165,369	152,172
Other	50,682	42,075
	<u>\$1,315,677</u>	<u>\$1,262,878</u>

Note 12 Supplementary Expenditure Information

Operating fund expenditures are summarized by object of expenditure as follows:

	1994	1993
Salaries and benefits	\$11,362,406	\$11,915,872
Supplies and services	2,306,550	2,754,866
Repairs and maintenance	748,177	548,514
Telephones and utilities	725,647	719,600
Travel and advertising	425,043	514,624
	<u>\$15,567,823</u>	<u>\$16,453,476</u>

Note 13 Related Party Transactions

The Fairview College Foundation is a registered public foundation created to solicit, receive and administer funds and property donated by business, industry, individuals and other foundations for the advancement of Fairview College.

During the year, the following transactions took place between the College and the Foundation:

	<u>1994</u>	<u>1993</u>
Donations transferred from the Foundation to the College	<u>\$ 217,056</u>	<u>\$1,030,092</u>
Grants by the College to the Foundation	<u>\$ 70,000</u>	<u>\$ 70,000</u>

At the end of the year, the College held \$228,943 (1993 \$191,282) on behalf of the Foundation (Note 8).

Accommodation, furnishings and certain other overhead costs incurred in the administration of the Foundation are borne by the College.

Note 14 Commitment

The College is committed to a four year lease, with three years remaining, on office equipment. The lease requires payment of \$85,067 in each of the next two years.

Note 15 Operating Fund Budget

The 1994 operating fund budget was approved by the College's Board of Governors on August 19, 1993 and is presented for comparison with 1994 actual figures. The budget did not include contract programs which were approved at later dates during the year.

Note 16 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 17 Approval of Financial Statements

These financial statements were approved by management.

FAIRVIEW COLLEGE
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED JUNE 30, 1994

	1994				1993	
	Number of Individuals ⁽¹⁾	Salaries ⁽²⁾	Benefits and Allowances ⁽³⁾	Total	Number of Individuals	Total
Board members:						
Chair	1	\$ 6,966	\$ —	\$ 6,966	1	\$ 6,440
Other	9	29,377	—	29,377	9	31,378
President ⁽⁴⁾	1	80,488	15,584	96,072	1	74,895
Acting President	—	—	—	—	1	89,112
Vice Presidents:						
Student and College Services ⁽⁵⁾	1	74,300	12,772	87,072	—	—
Academic ⁽⁶⁾	1	74,300	10,939	85,239	1	73,998
Administration ⁽⁵⁾	—	—	—	—	1	88,109
Dean of Student Services ⁽⁵⁾	—	—	—	—	1	85,777
Directors:						
Northern Region ⁽⁷⁾	1	61,074	25,015	86,089	1	73,972
Peace Region	1	64,461	10,711	75,172	1	72,602
Physical Plant	1	64,461	10,489	74,950	1	75,209
Financial Affairs	1	64,461	9,396	73,857	1	71,790
Fairview Region	1	61,891	9,985	71,876	1	68,029
Administrative (average \$47,931)	27	1,094,826	199,298	1,294,124		(11)
Other full-time staff: ⁽⁸⁾						
Academic (average \$58,952)	87	4,423,186	705,612	5,128,798		(11)
Support (average \$33,396)	80	2,248,844	422,836	2,671,680		(11)
Other part-time staff:						
Academic (average \$45,025) ⁽⁹⁾	13	517,436	67,891	585,327		(11)
Support (average \$27,566)	15	381,012	32,475	413,487		(11)
Other part-time and casual staff ⁽¹⁰⁾		<u>322,677</u>	<u>48,325</u>	<u>371,002</u>		(11)
		9,569,760	1,581,328	11,151,088		
Other:						
Severance pay		198,318	—	198,318		
Increase in unfunded pension liability		—	13,000	13,000		
		<u>\$ 9,768,078</u>	<u>\$ 1,594,328</u>	<u>\$11,362,406</u>		

(1) Number of individuals is stated as full-time equivalents for administrative, other full-time and other part-time staff.

(2) Salaries include regular pay, overtime pay, vacation pay, fee for service payments, shift differential and Board honoraria.

(3) Benefits and allowances represent the College's share of employee benefits including Canada Pension Plan, Unemployment Insurance, pensions, life insurance, health care, dental coverage, vision, extended health, northern travel and housing allowances, vacation payouts, car allowances and certain professional development expenditures.

(4) The President was on a sabbatical leave for 10 months during 1993 at 75% of regular salary.

(5) The positions of Vice President, Administration and Dean of Student Services were occupied for 11 months during 1993. Those positions were combined into the position of Vice President, Student and College Services in 1994.

(6) The position of Vice President, Academic was occupied for a 10 month period during 1993.

(7) The position of Director, Northern Region was occupied for an 11 month period during 1994.

(8) Other full-time staff includes permanent employees as well as individuals on contracts receiving full monthly pay for part of the year.

(9) Other part-time academic staff includes fee-for-service payments for credit instruction.

(10) Other part-time and casual staff consists of students, tutors and fee-for-service payments for non-credit instruction.

(11) Comparative figures for 1993 have not been disclosed as these amounts cannot be reasonably determined.

GRANDE PRAIRIE REGIONAL COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Changes in Fund Balances

Consolidated Statement of Changes in Equity in Capital Assets

Notes to the Consolidated Financial Statements

Consolidated Schedule of Salaries and Benefits

AUDITOR'S REPORT

To the Board of Governors of
Grande Prairie Regional College

I have audited the consolidated statement of financial position of Grande Prairie Regional College as at June 30, 1994 and the consolidated statements of changes in fund balances and changes in equity in capital assets for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 7, 1994

GRANDE PRAIRIE REGIONAL COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	<u>1994</u>	<u>1993</u>
ASSETS		
Cash and short-term deposits	\$ 564,686	\$ 1,843,179
Accounts receivable	705,984	946,888
Inventories	215,363	209,202
Prepaid expenses	8,478	65,266
Investments (Note 4)	2,693,730	2,095,177
Capital assets (Note 5)	<u>56,445,294</u>	<u>58,951,647</u>
	<u>\$60,633,535</u>	<u>\$64,111,359</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable	\$ 1,007,503	\$ 822,804
Accrued vacation pay	1,113,605	1,107,977
Deferred revenue (Note 6)	207,200	565,124
Capital lease liability (Note 7)	32,090	45,805
Funds held on behalf of others (Note 8)	89,769	102,387
Pension liability (Notes 3 and 9)	<u>1,259,000</u>	<u>—</u>
	<u>3,709,167</u>	<u>2,644,097</u>
Equity in capital assets	<u>56,413,204</u>	<u>58,905,842</u>
Fund balances		
Operating	(2,221,412)	(512,476)
Capital	106,032	435,008
Restricted (Note 10)	<u>2,290,547</u>	<u>2,203,044</u>
	175,167	2,125,576
Reserves (Note 11)	<u>335,997</u>	<u>435,844</u>
	<u>511,164</u>	<u>2,561,420</u>
	<u>\$60,633,535</u>	<u>\$64,111,359</u>

The accompanying notes and schedule are part of these consolidated financial statements.

GRANDE PRAIRIE REGIONAL COLLEGE
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994				1993
	Operating Fund	Capital Fund	Restricted Fund	Total Actual	Total Actual
Revenue:					
Grants (Note 12)	\$17,401,188	\$ 279,500	\$ —	\$17,680,688	\$18,131,204
Tuition fees	2,134,154	—	—	2,134,154	1,778,081
Sales, rentals and services (Note 13)	1,535,092	—	18,272	1,553,364	1,496,601
Investment	66,853	21,902	226,680	315,435	310,638
Donations and fundraising	151,415	—	117,030	268,445	395,191
Proceeds from disposal of capital assets	—	154,589	—	154,589	81,628
Miscellaneous	113,859	18,250	—	132,109	263,271
	<u>21,402,561</u>	<u>474,241</u>	<u>361,982</u>	<u>22,238,784</u>	<u>22,456,614</u>
Expenditure (Note 14):					
Direct instruction	12,087,621	—	—	12,087,621	11,717,930
Institution support	5,835,487	211,254	—	6,046,741	5,542,050
Academic support	1,392,024	—	—	1,392,024	1,196,371
Cost of sales and services (Note 13)	1,223,110	—	—	1,223,110	1,196,098
Student services	1,091,780	—	—	1,091,780	1,306,459
Acquisition of capital assets	490,138	600,660	—	1,090,798	1,480,589
Scholarships	—	—	117,966	117,966	125,593
	<u>22,120,160</u>	<u>811,914</u>	<u>117,966</u>	<u>23,050,040</u>	<u>22,565,090</u>
Excess (deficiency) of revenue over expenditure	(717,599)	(337,673)	244,016	(811,256)	(108,476)
Inter-fund transfers	142,637	13,876	(156,513)	—	—
Reserves					
Returned to fund balances	290,070	2,097	—	292,167	55,684
Appropriated from fund balances	(185,044)	(7,276)	—	(192,320)	(250,454)
Changes in fund balances for the year	<u>(469,936)</u>	<u>(328,976)</u>	<u>87,503</u>	<u>(711,409)</u>	<u>(303,246)</u>
Fund balances at beginning of year as previously reported	(512,476)	435,008	2,203,044	2,125,576	2,428,822
Adjustment for pension liability (Note 3)	(1,239,000)	—	—	(1,239,000)	—
Fund balances at beginning of year as restated	<u>(1,751,476)</u>	<u>435,008</u>	<u>2,203,044</u>	<u>886,576</u>	<u>2,428,822</u>
Fund balances at end of year	<u>\$ (2,221,412)</u>	<u>\$ 106,032</u>	<u>\$ 2,290,547</u>	<u>\$ 175,167</u>	<u>\$ 2,125,576</u>

GRANDE PRAIRIE REGIONAL COLLEGE
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$58,905,842	\$58,355,607
Add: Acquisition of capital assets	1,090,798	1,480,589
Payment of capital lease principal	13,715	4,415
	<u>60,010,355</u>	<u>59,840,611</u>
Deduct: Write down of capital assets below capitalization threshold	2,096,769	—
Disposal of capital assets, at cost	818,566	611,965
Write off of capital assets, at cost	681,816	322,804
	<u>3,597,151</u>	<u>934,769</u>
Balance at end of year	<u>\$56,413,204</u>	<u>\$58,905,842</u>
Represented by:		
Capital assets	\$56,445,294	\$58,951,647
Less capital lease liability	32,090	45,805
	<u>\$56,413,204</u>	<u>\$58,905,842</u>

GRANDE PRAIRIE REGIONAL COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Purpose

Grande Prairie Regional College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College is a registered charity under the Income Tax Act (Canada) and is therefore exempt from the payment of income taxes.

The College's purpose is to provide students with university transfer, on-campus degree completion, career training, post-secondary preparatory and continuing education programs that contribute to the economic and social well-being of the region.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, generally accepted accounting principles as described by the Canadian Institute of Chartered Accountants Handbook do not include recommendations for accounting measurement of capital assets for non-profit organizations but do recommend that the policy that is followed be disclosed.

(b) Consolidation

These consolidated financial statements include the accounts of Grande Prairie Regional College Foundation, which operates under the Alberta Companies Act. The Foundation is an autonomous entity and its activities are directed to the support and advancement of the College.

Accordingly, the accounts of the two organizations have been consolidated to reflect the financial position and results of operations as though they were a single economic entity. Inter-entity balances and transactions have been eliminated on consolidation.

(c) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. These funds are described as follows:

- The operating fund accounts for the revenue and expenditure associated with the primary educational activities of the College and the ancillary services of the College bookstore, student residence, theatre and weight room.
- The capital fund accounts for the revenue and expenditure associated with the acquisition and disposal of the capital assets and expenditure on assets below the capitalization threshold of the College.
- The restricted fund accounts for donations for which donors or the Foundation's Board have specified the purpose, including endowments for which the principal is to be held intact.

(d) Inventories

Inventories are valued at the lower of cost or estimated net realizable value. Cost is determined on a first-in, first-out basis.

(e) Investments

Investments are recorded at cost or amortized cost where applicable. Amortization of premium or discount is calculated on an effective yield basis from acquisition date to maturity date.

(f) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets. No amortization is recorded.

(g) Revenue and Other Contributions

Operating and capital grants are recognized as revenue in the period received or receivable. Conditional grants are deferred except to the extent of related expenditure.

Tuition and contract training fees received for programs commencing in the next fiscal year are deferred except to the extent of related expenditure.

Revenue for provision of goods and services is recognized in the period in which the goods are provided or the services are rendered.

Donations and other restricted contributions, including endowments, are recognized as revenue in the period received or receivable. Donations of property and services are recorded at fair market value when a fair value can be reasonably estimated and when the property and services would otherwise have been purchased.

(h) Pension

Pension costs comprise the cost of pension obligations earned by employees during the year and interest on the portion of unfunded pension liabilities which the College has agreed to fund.

(i) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Change in Accounting Policy

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior years as the related adjustments are not determinable. The change has had the effect of increasing expenditure by \$20,000 and recognizing a pension liability of \$1,259,000.

Note 4 Investments

	1994		1993	
	Book Value	Market Value	Book Value	Market Value
Government of Canada bonds	\$1,030,691	\$ 860,837	\$ 670,967	\$ 668,549
Mortgage backed securities	259,724	251,502	291,845	295,320
Province of Alberta bonds	169,290	158,559	150,075	154,050
Other provincial bonds	751,735	537,936	—	—
Guaranteed income certificates	482,290	482,290	982,290	982,290
	<u>\$2,693,730</u>	<u>\$2,291,124</u>	<u>\$2,095,177</u>	<u>\$2,100,209</u>

Note 5 Capital Assets

	1994	1993
Land and improvements	\$ 1,818,245	\$ 1,818,245
Buildings	46,362,378	46,144,684
Furniture and equipment	8,211,993	10,936,040
Equipment under capital lease	50,220	50,220
Leasehold improvements	2,458	2,458
	<u>\$56,445,294</u>	<u>\$58,951,647</u>

Note 6 Deferred Revenue

	1994	1993
Province of Alberta grants	\$ 96,245	\$453,397
Government of Canada grants	—	29,489
Other grants and fees	110,955	82,238
	<u>\$207,200</u>	<u>\$565,124</u>

Note 7 Capital Lease Liability

The capital lease on office equipment bears an interest rate of 7.5% and matures on July 31, 1996. Future repayments are as follows:

Year ended June 30	
1995	\$16,686
1996	16,686
1997	1,390
Total repayments	34,762
Less imputed interest	(2,672)
	<u>\$32,090</u>

Note 8 Funds Held on Behalf of Others

	1994	1993
Campus daycare	\$ 51,716	\$ 67,116
Grande Prairie Regional College Students' Association	21,263	9,721
Faculty professional growth fund	—	15,983
Other	16,790	9,567
	<u>\$ 89,769</u>	<u>\$102,387</u>

Note 9 Pension Liability

The College and its employees participate with other employers in the Local Authorities Pension Plan, a defined benefit pension plan administered by the Local Authorities Pension Plan Board. This Plan provides pensions for College employees based on the length of service and earnings.

The total amount of unfunded pension liabilities was determined by the Provincial Treasurer based on an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liabilities which will be funded by employers. The College's portion of that liability was calculated based on the College's percentage of the total pensionable payroll of all employers.

The College's portion of the employers' liability is \$1,259,000.

Note 10 Restricted Fund

	Balance at Beginning of Year	Add Revenue	Deduct Expenditure	Transfers	Balance at End of Year
Endowment principal					
Scholarships fund	\$1,125,735	\$ 36,556	\$ —	\$ (41,695)	\$1,120,596
S.J. Alward library fund	612,570	—	—	—	612,570
Projects fund	61,847	390	—	10,198	72,435
	<u>1,800,152</u>	<u>36,946</u>	<u>—</u>	<u>(31,497)</u>	<u>1,805,601</u>
Expendable funds					
Scholarships fund	155,880	134,501	(98,316)	(13,161)	178,904
S.J. Alward library fund	—	64,680	—	(56,899)	7,781
Projects fund	111,787	23,779	—	44,506	180,072
Other	135,225	102,076	(19,650)	(99,462)	118,189
	<u>402,892</u>	<u>325,036</u>	<u>(117,966)</u>	<u>(125,016)</u>	<u>484,946</u>
	<u>\$2,203,044</u>	<u>\$ 361,982</u>	<u>\$ (117,966)</u>	<u>\$ (156,513)</u>	<u>\$2,290,547</u>

The restricted fund includes \$479,340 (1993 \$501,109) designated as endowment principal by the Foundation's Board.

Note 11 Reserves

	Balance at Beginning of Year	Add Appropriated from Fund Balances	Deduct Returned to Fund Balances	Balance at End of Year
Operating:				
Student residence	\$227,800	\$ 63,371	\$ 11,841	\$279,330
Weight room	12,845	8,711	14,085	7,471
Duplicating services and equipment	51,827	54,009	104,617	1,219
Library	100,574	58,953	159,527	—
	<u>393,046</u>	<u>185,044</u>	<u>290,070</u>	<u>288,020</u>
Capital:				
Building expansion	42,798	7,276	2,097	47,977
	<u>\$435,844</u>	<u>\$192,320</u>	<u>\$292,167</u>	<u>\$335,997</u>

Note 12 Grants

	1994	1993
Operating:		
Department of Advanced Education and Career Development		
Base	\$13,841,410	\$13,752,286
Conditional	999,788	1,007,805
Matching	—	112,465
Adult Development Plan	600,222	638,353
Other	750,693	760,195
Other Province of Alberta	545,963	619,377
	<u>16,738,076</u>	<u>16,890,481</u>
Government of Canada	650,230	900,876
Other	12,882	3,047
	<u>17,401,188</u>	<u>17,794,404</u>
Capital:		
Department of Advanced Education and Career Development		
General capital	279,500	336,800
	<u>\$17,680,688</u>	<u>\$18,131,204</u>

Note 13 Sales, Rentals and Services

Sales, rentals and services revenue and expenditure are summarized as follows:

	1994		
	Revenue	Expenditure	Net
Student residence	\$ 275,663	\$ 233,459	\$ 42,204
Bookstore	807,832	776,882	30,950
Weight room	24,809	16,296	8,513
Theatre productions	160,186	160,186	—
Theatre services	36,287	36,287	—
Other	248,587	—	248,587
	<u>\$1,553,364</u>	<u>\$1,223,110</u>	<u>\$ 330,254</u>

	1993		
	Revenue	Expenditure	Net
Student residence	\$ 254,844	\$ 233,531	\$ 21,313
Bookstore	762,241	736,540	25,701
Weight room	20,965	8,255	12,710
Theatre productions	188,048	188,239	(191)
Theatre services	30,232	29,533	699
Other	240,271	—	240,271
	<u>\$1,496,601</u>	<u>\$1,196,098</u>	<u>\$ 300,503</u>

Note 14 Supplementary Expenditure Information

Operating fund expenditure is summarized by object of expenditure as follows:

	1994	1993
Salaries and benefits	\$17,178,543	\$17,087,543
Supplies and services	2,989,751	2,485,357
Telephones and utilities	608,845	617,290
Travel and advertising	507,829	487,178
Repairs and maintenance	345,054	394,005
Acquisition of capital assets	490,138	562,054
	<u>\$22,120,160</u>	<u>\$21,633,427</u>

Note 15 Budget

The 1994 College budget was approved by the Board of Governors on June 28, 1993. The budget, which did not include revenue and expenditure related to the Foundation, is presented for comparison with actual figures which also exclude Foundation operations.

	1994		1993
	Total Budget	Total Actual	Total Actual
Revenue:			
Grants	\$18,134,607	\$17,680,688	\$18,131,204
Tuition fees	2,102,760	2,134,154	1,778,081
Sales, rentals and services	1,360,099	1,553,364	1,496,601
Investment	72,000	81,057	140,485
Donations	—	132,118	323,773
Proceeds from disposal of capital assets	—	154,589	81,628
Miscellaneous	79,500	132,109	263,271
	<u>21,748,966</u>	<u>21,868,079</u>	<u>22,215,043</u>
Expenditure:			
Direct instruction	11,689,594	12,087,621	11,717,930
Institutional support	5,883,852	5,925,381	5,434,451
Academic support	1,406,693	1,392,024	1,196,371
Cost of sales and services	972,881	1,223,110	1,196,098
Student services	1,148,959	1,038,099	1,248,145
Acquisition of capital assets	689,514	1,090,798	1,480,589
Transfers to Grande Prairie Regional College Foundation	—	—	112,465
	<u>21,791,493</u>	<u>22,757,033</u>	<u>22,386,049</u>
Excess (deficiency) of revenue over expenditure	(42,527)	(888,954)	(171,006)
Reserves			
Returned to fund balances	—	292,167	55,684
Appropriated from fund balances	(37,500)	(192,320)	(250,454)
Changes in fund balances for the year	<u>\$ (80,027)</u>	<u>\$ (789,107)</u>	<u>\$ (365,776)</u>

Note 16 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 17 Approval of Financial Statements

These consolidated financial statements were approved by the Board of Governors.

Schedule 1

GRANDE PRAIRIE REGIONAL COLLEGE
CONSOLIDATED SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED JUNE 30, 1994

	1994				1993	
	Number of Individuals ⁽¹⁾	Salaries ⁽²⁾	Benefits and Allowances ⁽³⁾	Total	Number of Individuals	Total
Board members:						
Chair	1.0	\$ 4,410	\$ 41	\$ 4,451	1.0	\$ 4,142
Other	15.0	37,135	345	37,480	15.0	40,355
President ⁽⁴⁾	1.0	88,059	11,811	99,870	1.0	99,234
Vice Presidents:						
College Services ⁽⁴⁾	1.0	84,225	9,830	94,055	—	—
Instruction ⁽⁵⁾	1.0	79,514	13,400	92,914	—	—
Student Services and Registrar ⁽⁶⁾	—	—	—	—	1.0	100,281
Finance and Administration ⁽⁴⁾	—	—	—	—	1.0	94,079
Dean of Academic and Applied Studies ⁽⁶⁾⁽⁷⁾	1.0	8,475	1,626	10,101	1.0	80,775
Dean of Career and Vocational Studies ⁽⁶⁾	—	—	—	—	1.0	87,706
Directors:						
Campus Operations	1.0	66,464	9,986	76,450	1.0	75,833
Financial Services	1.0	61,369	9,599	70,968	1.0	70,372
Human Resources	1.0	61,369	9,557	70,926	1.0	70,329
Extension Services	1.0	51,035	8,008	59,043	1.0	58,360
Registrar	1.0	47,760	7,080	54,840	—	—
Other managers (average 1994 \$42,558, 1993 \$45,845)	6.1	219,982	39,626	259,608	6.0	275,075
Other full-time staff:						
Academic (average 1994 \$57,988, 1993 \$57,540)	162.8	7,906,412	1,534,070	9,440,482	160.6	9,240,967
Support (average 1994 \$37,238, 1993 \$37,469)	120.7	3,764,453	730,284	4,494,737	120.3	4,507,564
Other part-time staff:						
Academic (average 1994 \$65,683, 1993 \$64,623)	13.0	805,737	48,143	853,880	12.9	833,646
Support (average 1994 \$35,542, 1993 \$38,385)	10.8	295,730	88,126	383,856	10.8	414,562
Casual staff		<u>458,514</u>	<u>27,196</u>	<u>485,710</u>		<u>544,941</u>
		14,040,643	2,548,728	16,589,371		16,598,221
Other:						
Severance pay and retirement allowances		<u>589,172</u>	<u>—</u>	<u>589,172</u>		<u>489,322</u>
		<u>\$14,629,815</u>	<u>\$ 2,548,728</u>	<u>\$17,178,543</u>		<u>\$17,087,543</u>

(1) Number of individuals is stated as full-time equivalents for other managers, other full-time and other part-time staff.

(2) Salaries include base pay, overtime pay, vacation pay, chairperson stipends, Board honoraria and other direct cash remuneration.

(3) Benefits and allowances represent the College's share of employee benefits including Canada Pension Plan, Unemployment Insurance, pensions, health care, dental coverage, group life insurance, accidental death and dismemberment insurance, and the cost of sabbatical leaves.

(4) Automobile was provided but no amount is included as a benefit.

(5) Automobile was provided for a six month period but no amount is included as a benefit.

(6) Benefits and allowances include a car allowance.

(7) The position of Dean of Academic and Applied Studies was occupied for a 1.5 month period during the current year.

GRANT MacEWAN COMMUNITY COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Statement of Restricted Funds
Notes to the Financial Statements
Schedule of Funds Held on Behalf of Others

AUDITOR'S REPORT

To the Board of Governors of
Grant MacEwan Community College

I have audited the statement of financial position of Grant MacEwan Community College as at June 30, 1994 and the statements of changes in fund balances, changes in equity in capital assets, reserves and restricted funds for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The College's statement of financial position discloses that the Operating Fund had a surplus of \$136,121 at June 30, 1994 and \$979,078 at June 30, 1993 before the effect of non-cash accruals arising from vacation pay and pension liabilities. In my opinion, this presentation is inappropriate as it implies that the liabilities relating to vacation pay and pension were not incurred in the normal course of operations.

In my opinion, except for the disclosure of the Operating Fund balance as described in the preceding paragraph, these financial statements present fairly the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 17, 1994

GRANT MacEWAN COMMUNITY COLLEGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	1994	1993
ASSETS		
Short-term deposits	\$ 18,851,314	\$ 23,097,593
Accounts receivable (Note 4)	1,932,626	5,427,174
Prepaid expenses	135,432	1,047,495
Inventories	492,452	373,537
Investment	121,612	111,065
Capital assets (Note 5)	<u>173,992,869</u>	<u>161,631,268</u>
	<u>\$195,526,305</u>	<u>\$191,688,132</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Bank overdraft	\$ 924,937	\$ 645,351
Accounts payable and accrued liabilities	2,641,738	14,061,996
Accrued vacation pay (Note 3)	1,955,837	1,728,939
Deferred revenue (Note 6)	1,363,868	1,237,298
Long-term debt due within one year (Note 7)	48,352	—
Funds held on behalf of others	<u>645,195</u>	<u>518,760</u>
	<u>7,579,927</u>	<u>18,192,344</u>
Long-term debt (Note 7)	<u>3,551,648</u>	<u>—</u>
Pension liability (Notes 3 and 8)	<u>1,999,000</u>	<u>—</u>
Equity in capital assets	<u>170,392,869</u>	<u>161,631,268</u>
Fund balances		
Operating		
Balance before effect of the following non-cash accruals	136,121	979,078
Accrued vacation pay	(1,955,837)	(1,728,939)
Pension liability	<u>(1,999,000)</u>	<u>—</u>
	<u>(3,818,716)</u>	<u>(749,861)</u>
Capital	4,247,291	1,440,612
Restricted	<u>8,071,450</u>	<u>8,098,153</u>
	8,500,025	8,788,904
Reserves	<u>3,502,836</u>	<u>3,075,616</u>
	<u>12,002,861</u>	<u>11,864,520</u>
	<u>\$195,526,305</u>	<u>\$191,688,132</u>

The accompanying notes and schedule are
part of these financial statements.

GRANT MacEWAN COMMUNITY COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994					1993
	Operating					
	Budget	Actual	Capital	Restricted	Total	Total
REVENUE						
Grants, Province of Alberta (Note 9)	\$ 27,572,857	\$ 27,211,305	\$ 15,131,697	\$ —	\$ 42,343,002	\$ 79,573,456
Outreach and community education	12,785,589	13,979,275	10,439	—	13,989,714	11,592,361
Tuition fees	2,887,000	3,073,015	—	—	3,073,015	2,701,770
Investment income	225,000	456,955	216,846	368,105	1,041,906	1,130,241
Student services	498,211	602,701	—	11,426	614,127	1,157,107
Sales, rentals and services	3,688,164	4,091,469	—	—	4,091,469	2,988,174
Proceeds from disposal of capital assets	—	—	222,649	—	222,649	14,248
Donations	—	—	5,000	300,955	305,955	558,582
	<u>47,656,821</u>	<u>49,414,720</u>	<u>15,586,631</u>	<u>680,486</u>	<u>65,681,837</u>	<u>99,715,939</u>
EXPENDITURE						
Instruction (Note 11)	28,381,954	29,168,452	—	182,250	29,350,702	27,450,442
Facilities operations	7,597,497	8,391,900	—	—	8,391,900	5,790,961
Student affairs	3,610,827	3,393,912	—	198,215	3,592,127	4,056,604
Financial and administrative management (Note 3(c))	3,449,736	3,936,366	—	282,560	4,218,926	3,098,193
Academic affairs	932,485	1,146,310	—	—	1,146,310	1,186,932
Cost of sales and services	3,207,322	3,346,354	—	—	3,346,354	2,678,722
Acquisition of capital assets	477,000	540,287	12,945,726	44,164	13,530,177	57,586,855
	<u>47,656,821</u>	<u>49,923,581</u>	<u>12,945,726</u>	<u>707,189</u>	<u>63,576,496</u>	<u>101,848,709</u>
Excess (deficiency) of revenue over expenditure	\$ —	(508,861)	2,640,905	(26,703)	2,105,341	(2,132,770)
Inter-fund transfers		(133,444)	133,444	—	—	—
Reserves						
Returned to fund balances		431,218	79,500	—	510,718	458,798
Appropriated from fund balances		(890,768)	(47,170)	—	(937,938)	(899,542)
CHANGES IN FUND BALANCES FOR THE YEAR						
		(1,101,855)	2,806,679	(26,703)	1,678,121	(2,573,514)
FUND BALANCES AT BEGINNING OF YEAR, as restated (Note 3)		(2,716,861)	1,440,612	8,098,153	6,821,904	11,362,418
FUND BALANCES AT END OF YEAR	\$	(3,818,716)	\$ 4,247,291	\$ 8,071,450	\$ 8,500,025	\$ 8,788,904

GRANT MacEWAN COMMUNITY COLLEGE
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$161,631,268	\$105,354,889
Add: Acquisition of capital assets:		
Buildings	760,067	157,834
Furniture and equipment	3,497,475	1,122,814
Library materials	265,395	246,813
Leasehold improvements	5,094	6,782
Computers and related equipment	4,338,486	921,036
Campus construction in progress	4,663,660	55,131,576
	<u>13,530,177</u>	<u>57,586,855</u>
	<u>175,161,445</u>	<u>162,941,744</u>
Deduct: Cost of capital asset disposals	1,100,162	337,734
Adjustment for leasehold improvements (Note 5)	3,668,414	—
Adjustment for assets valued at less than capitalization limit	—	972,742
	<u>4,768,576</u>	<u>1,310,476</u>
Balance at end of year	<u><u>\$170,392,869</u></u>	<u><u>\$161,631,268</u></u>

GRANT MacEWAN COMMUNITY COLLEGE
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Deduct Returned to Fund Balances	Add Appropriated from Fund Balances	Balance at End of Year
OPERATING				
Future projects:				
Instructional development	\$ 229,708	\$ 58,096	\$ —	\$ 171,612
International education	43,203	55,571	30,893	18,525
Information resources	17,393	11,016	—	6,377
System co-operative project	7,440	—	—	7,440
Human resources:				
Faculty sabbatical fund	62,102	—	29,835	91,937
Faculty development	158,555	16,151	—	142,404
Staff development	1,501	—	2,992	4,493
Management professional development	120,328	—	—	120,328
Staff development - management and excluded	6,218	—	3,574	9,792
Learning Resource Centre:				
Collection development	—	—	116,617	116,617
College expansion	287,515	—	—	287,515
Revenue stabilization	250,000	—	—	250,000
Outreach:				
Contributions	266,427	123,716	439,787	582,498
Development	55,684	64,258	79,500	70,926
Marketing	270,000	35,316	—	234,684
Bookstore	74,044	30,000	24,666	68,710
Food services	117,678	—	32,478	150,156
Parking operations	(37,515)	11,134	68,200	19,551
Theatre operations	31,008	6,500	4,876	29,384
Media services	19,460	19,460	—	—
Central services	30,000	—	57,350	87,350
	<u>2,010,749</u>	<u>431,218</u>	<u>890,768</u>	<u>2,470,299</u>
CAPITAL				
Equipment replacement	453,037	—	21,370	474,407
Outreach	79,500	79,500	—	—
Major renovations	351,718	—	—	351,718
Site and utilities	148,047	—	25,800	173,847
Art acquisition:				
Principal	23,000	—	—	23,000
Expendable	9,565	—	—	9,565
	<u>1,064,867</u>	<u>79,500</u>	<u>47,170</u>	<u>1,032,537</u>
	<u>\$3,075,616</u>	<u>\$ 510,718</u>	<u>\$ 937,938</u>	<u>\$3,502,836</u>

GRANT MacEWAN COMMUNITY COLLEGE
STATEMENT OF RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Add Net Contributions and Interest	Deduct Expenditures	Add (Deduct) Transfers	Balance at End of Year
ENDOWMENTS					
Scholarships and bursaries	\$1,414,709	\$ 34,923	\$ —	\$ (106,883)	\$1,342,749
General	1,770,254	13,696	—	9,135	1,793,085
Life Support Training	334,194	2,326	—	—	336,520
Allard Chair in Business	378,802	2,582	—	—	381,384
Chair in Community Services	176,124	1,313	—	—	177,437
Senior Studies Institute	612,701	59,456	—	—	672,157
Ukrainian Resource Development Centre	2,350,264	18,448	—	(2,000)	2,366,712
Athletics	228,060	1,605	—	—	229,665
Students Association Alumni	325,802	2,337	—	—	328,139
Institute of the Family	776	5	—	—	781
	<u>7,591,686</u>	<u>136,691</u>	<u>—</u>	<u>(99,748)</u>	<u>7,628,629</u>
EXPENDABLE					
Scholarships and bursaries	3,311	93,928	118,281	102,857	81,815
General	89,207	71,945	161,152	—	—
Life Support Training	93,047	13,182	89,775	—	16,454
Allard Chair in Business	136,059	14,633	21,646	—	129,046
Chair in Community Services	4,478	7,441	6,969	—	4,950
Senior Studies Institute	6,145	51,334	55,194	(2,200)	85
Ukrainian Resource Development Centre	43,873	104,504	135,251	—	13,126
Athletics	17,383	38,394	51,849	—	3,928
Students Association Alumni	31,929	13,242	—	—	45,171
Institute of the Family	33	25	—	—	58
	<u>425,465</u>	<u>408,628</u>	<u>640,117</u>	<u>100,657</u>	<u>294,633</u>
	<u>81,002</u>	<u>135,167</u>	<u>67,072</u>	<u>(909)</u>	<u>148,188</u>
PROJECTS	<u>\$8,098,153</u>	<u>\$ 680,486</u>	<u>\$ 707,189</u>	<u>\$ —</u>	<u>\$8,071,450</u>

GRANT MacEWAN COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Purpose

Grant MacEwan Community College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College offers diploma and certificate programs in arts and science, business, community education, health services and community studies, and performing, visual and communication arts. The College also offers first and second year university transfer programs in arts, science, physical education and commerce. Through its outreach departments and Community Education Division, the College offers credit and non-credit courses in these programs on an outreach basis within greater Edmonton, and on brokerage and outreach bases to other areas of the Province and beyond.

The College is exempt under Section 149 of the Income Tax Act from payment of income taxes.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary educational activities of the College, as well as for revenues and expenditures associated with the provision of goods and services by the campus bookstores, parking, daycare centre, theatre operations and food services.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the capital assets of the College.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal is to be held intact.

(c) Inventories

Inventories are valued at the lower of cost or net realizable value, with cost determined on a moving average basis.

(d) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets. No amortization is recorded.

Capital assets are recorded at cost, except for donated assets, which are recorded at fair market value.

(e) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College, policies have been established to transfer amounts between funds to achieve the objectives of the College.

(f) Deferred Revenue

The unearned portion of capital and conditional grants and amounts received for programs commencing in the next fiscal year are recorded as deferred revenue.

(g) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

(h) Reserves

The Board of Governors appropriates amounts from fund balances to provide for specific requirements in subsequent fiscal years. These amounts are returned to fund balances when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

Note 3 Changes in Accounting Policies and Prior Period Adjustment

(a) Vacation Pay

The College has changed its method of recording vacation pay. Previously, vacation entitlements not taken were not recorded in the year earned. Vacation pay is now recorded in the period in which it is earned. This change has been applied retroactively and has the effect of increasing expenditure by \$226,898 (1993 \$127,677) and increasing accrued vacation pay by \$1,955,837 (1993 \$1,728,939).

(b) Pension Liability

At the direction of the Provincial Treasurer, under section 12 of the Financial Administration Act, a \$1,999,000 liability has been recorded at June 30, 1994 to reflect the actuarial estimation by the Provincial Treasurer of that portion of the unfunded pension obligation attributed to the College. The information provided by the Provincial Treasurer did not include information concerning the balance of the pension obligation at June 30, 1992. Therefore, this change in accounting policy has been applied retroactively without restatement of prior periods. The change has had the effect of increasing expenditure by \$32,000.

(c) Supplementary Superannuation Contributions

During the year ended June 30, 1993, the College recognized a liability of \$120,329 in respect of supplementary superannuation contributions. However, \$107,533 of this amount related to prior periods. To correct this error retroactively, Operating Fund expenditure for the year ended June 30, 1993 and the Operating Fund balance at the beginning of the year have been decreased by \$107,533.

The effect of the above changes on the Operating Fund balance at the beginning of the year is as follows:

	1994	1993
Balance at beginning of year		
As previously stated	\$ 979,078	\$ 1,007,664
Vacation pay accrual	(1,728,939)	(1,601,262)
Pension liability	(1,967,000)	—
Supplementary superannuation contributions	—	(107,533)
As restated	<u>\$ (2,716,861)</u>	<u>\$ (701,131)</u>

Note 4 Accounts Receivable

Accounts receivable is summarized as follows:

	1994	1993
Province of Alberta - City Centre Campus capital grant	\$ —	\$2,600,102
Other	<u>1,932,626</u>	<u>2,827,072</u>
	<u>\$1,932,626</u>	<u>\$5,427,174</u>

Note 5 Capital Assets

Capital assets are summarized as follows:

	1994	1993
Land and improvements	\$ 18,078,927	\$ 18,078,927
Buildings	130,207,725	26,721,282
Furniture and equipment	10,973,385	7,730,283
Library materials	3,575,908	3,310,513
Leasehold improvements	—	3,663,320
Computers and related equipment	11,156,924	7,664,227
Campus construction in progress	<u>—</u>	<u>94,462,716</u>
	<u>\$173,992,869</u>	<u>\$161,631,268</u>

During the year, the College terminated accommodation leases at two locations. Costs of related leasehold improvements amounting to \$3,668,414 were written off.

The construction of the City Centre Campus was completed in September 1993. Accordingly, the balance of the construction in progress has been allocated to buildings.

Note 6 Deferred Revenue

Deferred revenue is summarized as follows:

	1994	1993
Outreach and community education	\$ 523,020	\$ 543,995
Tuition fees	691,877	539,741
MacEwan Centre for Sports and Wellness	148,971	—
Capital grants	—	146,450
Other	<u>—</u>	<u>7,112</u>
	<u>\$1,363,868</u>	<u>\$1,237,298</u>

Note 7 Long-term Debt

The College has issued a debenture of \$3,600,000 at the rate of 8.125% per annum to Alberta Municipal Financing Corporation to finance the construction of an underground parking facility at the City Centre Campus. The debenture matures on September 15, 2018.

Repayment of principal in each of the next five fiscal years will be as follows:

1995	\$48,352
1996	52,280
1997	56,528
1998	61,121
1999	66,087

Note 8 Pension Liability

The College participates with other employers in a defined benefit pension plan. The Local Authorities Pension Plan provides pensions for the College's employees based on length of service and earnings.

The College's unfunded pension liability for the plan at June 30, 1994 is \$1,999,000. The total amount of unfunded pension liabilities from this plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liabilities which will be funded by employers. The College's portion of the employer's liability was calculated based on the College's percentage of the total pensionable payroll of all employers.

Note 9 Grants, Province of Alberta

Grants from the Province of Alberta are summarized as follows:

	<u>1994</u>	<u>1993</u>
Operating		
Base	\$27,211,305	\$23,672,275
Conditional	—	<u>1,952,423</u>
	<u>27,211,305</u>	<u>25,624,698</u>
Capital		
General	585,800	705,800
Campus expansion and improvements	<u>14,545,897</u>	<u>53,128,103</u>
	<u>15,131,697</u>	<u>53,833,903</u>
Restricted		
Matching	—	114,855
	<u>\$42,343,002</u>	<u>\$79,573,456</u>

Note 10 Ancillary Services

The Operating Fund includes ancillary services revenue and expenditure as follows:

	<u>1994</u>	<u>1993</u>
Revenue		
Bookstores	\$2,646,955	\$2,231,451
Parking	578,411	287,532
Daycare	379,872	213,662
Food services	331,743	84,681
Theatre operations	<u>5,869</u>	<u>20,822</u>
	<u>\$3,942,850</u>	<u>\$2,838,148</u>
Expenditure		
Bookstores	\$2,522,289	\$2,098,210
Parking	280,940	234,000
Daycare	448,695	288,454
Food services	102,398	62,278
Theatre operations	<u>7,492</u>	<u>4,814</u>
	<u>\$3,361,814</u>	<u>\$2,687,756</u>
Net Revenue (Expenditure)		
Bookstores	\$ 124,666	\$ 133,241
Parking	297,471	53,532
Daycare	(68,823)	(74,792)
Food services	229,345	22,403
Theatre operations	<u>(1,623)</u>	<u>16,008</u>
	<u>\$ 581,036</u>	<u>\$ 150,392</u>

Note 11 Instruction

Instruction expenditure is summarized as follows:

	<u>1994</u>	<u>1993</u>
Business	\$ 5,885,290	\$ 5,227,144
Arts and sciences	4,414,474	4,028,348
Performing, visual and communication arts	3,436,157	3,455,761
Community education	3,143,301	2,957,030
Health services	8,053,015	8,370,355
Learning resources centre	2,245,481	1,986,745
Other	<u>2,172,984</u>	<u>1,425,059</u>
	<u>\$29,350,702</u>	<u>\$27,450,442</u>

Note 12 Salaries and Benefits

	1994				1993	
	Number of Individuals ^(f)	Salary ^(a)	Benefits and Allowances ^(b)	Total	Number of Individuals	Total
Board of Governors ^(d)						
Chairman of the Board	1.0	\$ 7,400	\$ 463	\$ 7,863	1.0	\$ 7,715
Board members	10.7	38,645	2,415	41,060	10.5	39,573
	11.7	46,045	2,878	48,923	11.5	47,288
President ^(c)	1.0	117,127	29,165	146,292	1.0	146,962
Vice-Presidents ^(c)						
Academic ^(b)	1.0	80,036	10,405	90,441	1.0	113,061
Administration ^(e)	0.9	78,849	10,251	89,100	1.0	104,731
Student services	1.0	74,750	9,717	84,467	1.0	84,375
Information and Instructional Services	1.0	76,055	9,887	85,942	1.0	85,861
	3.9	309,690	40,260	349,950	4.0	388,028
Other managers						
Deans and Directors (average 1994 \$80,260, 1993 \$80,028)	9.0	639,238	83,101	722,339	10.0	800,284
Managers and Coordinators (average 1994 \$59,386, 1993 \$58,492)	14.9	782,367	101,709	884,076	15.7	918,669
	23.9	1,421,605	184,810	1,606,415	25.7	1,718,953
Other full-time staff						
Faculty (average 1994 \$61,689, 1993 \$61,319)	135.0	7,369,875	958,077	8,327,952	135.0	8,278,009
Instructional assistants (average 1994 \$39,639, 1993 \$39,535)	21.0	726,993	105,416	832,409	17.8	703,719
Non-academic staff (average 1994 \$32,677, 1993 \$32,534)	195.5	5,603,958	783,160	6,387,118	165.2	5,374,644
	351.5	13,700,826	1,846,653	15,547,479	318.0	14,356,372
Part-time and hourly staff		16,034,058	749,344	16,783,402		14,810,429
Other payroll costs						
Accrued vacation pay and pension adjustment		—	258,898	258,898		127,677
Faculty sabbatical provision under the faculty agreement		—	216,121	216,121		206,957
Accrued educational leave and retirement allowance - President		—	35,307	35,307		33,416
Administrative sabbatical - other managers		—	37,067	37,067		—
Early retirement and separation costs - Vice Presidents		69,790	2,540	72,330		—
Early retirement and separation costs - other managers		38,955	—	38,955		—
Early retirement and separation costs - other full-time staff		419,542	—	419,542		31,253
		528,287	549,933	1,078,220		399,303
				\$35,560,681		\$31,867,335

(a) Salary figures presented above include regular base pay plus overtime, lump sum payments, honoraria, sabbatical payments and any other direct cash payments made.

(b) Benefits and allowances figures include employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, supplementary superannuation contributions and earned education leave.

(c) Automobile provided. No amounts included under benefits and allowances.

(d) Individual members of the Board of Governors made donations of their honoraria to the Grant MacEwan Community College Foundation totalling \$19,050.

(e) Position occupied by two individuals during part of the year.

(f) Represents weighted average count.

Note 13 Related Party

The Grant MacEwan Community College Foundation is a registered charitable organization, and receives donations from various sources for the advancement of Grant MacEwan Community College.

During the year, the following transactions took place between the College and the Foundation:

	1994	1993
Donations raised by the Foundation on behalf of the College	\$696,827	\$620,587
Funds due from the Foundation at end of year	\$ 99,080	\$388,576

In addition, the College provides certain administrative services and accommodation at no cost to the Foundation.

Note 14 Supplementary Expenditure Information

Operating fund expenditure is summarized by object of expenditure as follows:

	1994	1993
Salaries and benefits	\$35,560,681	\$31,867,335
Supplies and services	9,452,976	9,406,590
Travel and advertising	1,452,834	1,477,852
Telephones and utilities	2,351,252	830,102
Repairs and maintenance	875,845	654,391
Interest on long-term debt	229,993	—
	<u>\$49,923,581</u>	<u>\$44,236,270</u>

Note 15 Subsequent Events

Subsequent to year end, the property associated with the College's Cromdale Campus, acquired in 1971 for \$148,000, was exchanged with the Canadian National Railway Company for a 4.4 acre parcel of land contiguous with the City Centre Campus property.

Note 16 Budget

The Operating Fund budget was approved by the Board of Governors on May 20, 1993 and is presented for comparison with the actual results.

Note 17 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 18 Approval of Financial Statements

These financial statements were reviewed by the Finance Committee and recommended for approval by the Board of Governors.

GRANT MacEWAN COMMUNITY COLLEGE
SCHEDULE OF FUNDS HELD ON BEHALF OF OTHERS
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Add Contributions and Interest	Deduct Expenditure	Balance at End of Year
Yellowhead Regional Educational Consortium:				
Operating funds	\$ 197,685	\$1,610,797	\$1,410,471	\$ 398,011
Capital funds	13,528	26,365	9,078	30,815
Yellowhead Regional Educational Society				
Restricted funds	19,955	29,392	13,141	36,206
Pembina Educational Consortium:				
Operating funds	37,863	1,054,424	1,038,311	53,976
Capital funds	(345)	19,416	2,793	16,278
Community Based Network:				
Operating funds	(824)	119,009	94,902	23,283
Capital funds	16,581	13,572	9,077	21,076
Insurance Advisory Committee	(1,182)	1,182	—	—
CML Provincial Users Group	17,954	—	1,182	16,772
Association of Canadian Community Colleges				
-1993 Conference	217,545	25,374	194,141	48,778
	<u>\$ 518,760</u>	<u>\$2,899,531</u>	<u>\$2,773,096</u>	<u>\$ 645,195</u>

KEYANO COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
Keyano College

I have audited the statement of financial position of Keyano College as at June 30, 1994 and the statements of changes in fund balances, changes in equity in capital assets and reserves for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
September 28, 1994

KEYANO COLLEGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	<u>1994</u>	<u>1993</u>
ASSETS		
Cash and short-term deposits	\$ 8,086,919	\$ 7,388,524
Accounts receivable (Note 4)	1,483,216	1,673,884
Inventories	304,541	205,619
Prepaid expenses and deposit (Note 13(b))	568,477	459,146
Capital assets (Note 5)	88,448,023	87,824,341
	<u>\$98,891,176</u>	<u>\$97,551,514</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable	\$ 862,556	\$ 2,847,097
Deferred revenue	314,236	359,137
Long-term debt due within one year (Note 6)	174,574	87,023
Accrued vacation pay	1,052,439	1,056,191
Funds held on behalf of others (Note 7)	393,769	372,650
	<u>2,797,574</u>	<u>4,722,098</u>
Long-term debt (Note 6)	4,438,403	2,412,977
Pension liability (Notes 3(b) and 8)	1,600,000	—
Equity in capital assets	83,835,046	85,324,341
Fund balances		
Operating	(1,394,291)	(424,592)
Capital	3,340,735	1,441,980
Restricted (Note 9)	651,462	638,429
	<u>2,597,906</u>	<u>1,655,817</u>
Reserves	3,622,247	3,436,281
	<u>6,220,153</u>	<u>5,092,098</u>
	<u>\$98,891,176</u>	<u>\$97,551,514</u>

The accompanying notes are part
of these financial statements.

KEYANO COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994					1993
	Operating		Capital	Restricted	Total	Total
	Budget	Actual				
REVENUE						
Basic operating grant	\$16,899,302	\$16,688,567	\$ —	\$ —	\$16,688,567	\$16,875,494
Other grants	161,688	601,783	714,167	—	1,315,950	1,365,204
Tuition	1,267,850	1,391,923	—	—	1,391,923	1,003,181
Education contracts	568,755	1,623,869	—	—	1,623,869	1,893,699
Donations	87,450	144,532	268,925	28,510	441,967	484,787
Sales, rent and services	3,087,296	3,952,337	13,860	—	3,966,197	3,216,461
Investment income	212,000	235,108	126,878	29,057	391,043	455,591
Proceeds from disposal of capital assets	—	—	92,410	—	92,410	61,901
	<u>22,284,341</u>	<u>24,638,119</u>	<u>1,216,240</u>	<u>57,567</u>	<u>25,911,926</u>	<u>25,356,318</u>
EXPENDITURE						
Instruction	9,398,906	10,733,692	—	—	10,733,692	10,705,049
Academic support	1,892,578	1,783,392	—	—	1,783,392	1,853,985
Student services	1,016,790	1,044,168	—	—	1,044,168	1,081,046
Institutional support	6,736,687	6,310,930	—	—	6,310,930	6,113,473
Computing services	499,475	495,599	—	—	495,599	448,030
Ancillary operations	2,504,902	2,355,091	—	—	2,355,091	2,845,047
Scholarships and bursaries	—	—	—	54,034	54,034	65,561
Acquisition of capital assets	—	—	2,109,924	—	2,109,924	6,401,707
Capital repairs and maintenance	—	—	78,755	—	78,755	194,351
Interest on long-term debt	—	356,263	—	—	356,263	—
	<u>22,049,338</u>	<u>23,079,135</u>	<u>2,188,679</u>	<u>54,034</u>	<u>25,321,848</u>	<u>29,708,249</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	235,003	1,558,984	(972,439)	3,533	590,078	(4,351,931)
Long-term debt proceeds	—	—	2,200,000	—	2,200,000	2,500,000
Principal repayment of long-term debt	—	—	(87,023)	—	(87,023)	—
Inter-fund transfers	—	(1,016,528)	1,007,028	9,500	—	—
Reserves						
Returned to fund balances	—	942,007	—	—	942,007	925,124
Appropriated from fund balances	(235,003)	(879,162)	(248,811)	—	(1,127,973)	(711,047)
CHANGE IN FUND BALANCES FOR THE YEAR	<u>\$ —</u>	<u>605,301</u>	<u>1,898,755</u>	<u>13,033</u>	<u>2,517,089</u>	<u>(1,637,854)</u>
FUND BALANCES AT BEGINNING OF YEAR						
AS RESTATED (Note 3)		(1,999,592)	1,441,980	638,429	80,817	3,293,671
FUND BALANCES AT END OF YEAR		<u>\$ (1,394,291)</u>	<u>\$ 3,340,735</u>	<u>\$ 651,462</u>	<u>\$ 2,597,906</u>	<u>\$ 1,655,817</u>

KEYANO COLLEGE
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$85,324,341	\$81,734,369
Add: Acquisition of capital assets:		
Purchased	2,083,374	6,368,465
Donated	26,550	33,242
	2,109,924	6,401,707
Less: Financed by long-term debt	2,200,000	2,500,000
	(90,076)	3,901,707
Principal payment on long-term debt	87,023	—
Less: Disposals at cost	938,003	311,735
Adjustment (Note 5)	548,239	—
	1,486,242	311,735
Balance at end of year	<u>\$83,835,046</u>	<u>\$85,324,341</u>

KEYANO COLLEGE
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Deduct Returned to Fund Balances	Add Appropriated from Fund Balances	Balance at End of year
Operating				
Heavy equipment projects	\$ 400,000	\$ —	\$ —	\$ 400,000
Research and development	31,904	—	—	31,904
Professional development				
- Excluded staff	46,362	46,086	26,791	27,067
- Support staff	5,822	17,091	21,000	9,731
Employee safety	14,096	1,776	—	12,320
Library automation	56,926	—	1,032	57,958
Computer equipment	390,504	208,677	7,300	189,127
Secretariat	5,000	—	—	5,000
Employee assistance program	3,206	—	1,510	4,716
Sexual harassment	—	—	2,225	2,225
Musical instruments	17,855	—	2,537	20,392
Log haul program	89,587	—	—	89,587
Trades program	36,665	4,540	32,833	64,958
Industry Education Centre	100,000	100,000	—	—
Native addiction worker program	10,000	—	—	10,000
Lecture series	4,689	268	—	4,421
Innovative instruction	25,000	—	—	25,000
Literacy/transitional program	30,000	30,000	50,000	50,000
Native education training	25,000	—	—	25,000
Industry Education Centre sinking fund	—	490,211	611,408	121,197
Academic development	—	—	33,938	33,938
Community and upgrading education development	—	—	28,236	28,236
Student housing	378,816	43,358	18,410	353,868
Bookstore	32,300	—	20,636	52,936
Theatre	57,388	—	21,306	78,694
	<u>1,761,120</u>	<u>942,007</u>	<u>879,162</u>	<u>1,698,275</u>
Capital				
Equipment replacement	727,743	—	116,653	844,396
Site and renovations	935,899	—	105,257	1,041,156
Theatre	11,519	—	26,901	38,420
	<u>1,675,161</u>	<u>—</u>	<u>248,811</u>	<u>1,923,972</u>
	<u>\$3,436,281</u>	<u>\$ 942,007</u>	<u>\$1,127,973</u>	<u>\$3,622,247</u>
Comparative figures, 1993	<u>\$3,650,358</u>	<u>\$ 925,124</u>	<u>\$ 711,047</u>	<u>\$3,436,281</u>

KEYANO COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Purpose

Keyano College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College is a comprehensive community college primarily serving the north-eastern region of Alberta. The College is exempt from payment of income tax under Section 149 of the Income Tax Act.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for not-for-profit organizations but does recommend that the policy that is followed be disclosed.

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary educational activities of the College. The operating fund also accounts for the operations of the campus theatre, residences, cafeteria, bookstore and daycare centre.
- The Capital Fund accounts for the revenues, expenditures, and financing associated with the acquisition and disposal of the capital assets of the College.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal is to be held intact.

(c) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College, policies have been established to transfer amounts between funds to achieve the financial objectives of the College.

(d) Deferred Revenue

The unearned portion of conditional grants and amounts received for programs commencing in the next fiscal year are recorded as deferred revenue.

(e) Inventories

Inventories of merchandise and supplies are valued at the lower of cost and net realizable value.

(f) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets except when acquisitions are financed by long-term debt. No amortization is recorded.

Land, certain buildings and renovations transferred to the College from the Province of Alberta in 1984, are recorded at March 1985 amortized replacement cost as determined by an independent appraisal. Other capital assets are recorded at cost except for donated assets which are recorded at fair market value.

Capital fund expenditures that do not conform to the College's capitalization criteria, are recorded as capital repairs and maintenance.

(g) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policies

(a) Vacation Pay

The College has changed its method of recording vacation pay. Previously, vacation entitlements earned but not taken were not recorded. Vacation pay is now recorded in the period in which it is earned. This change has been applied retroactively and has the effect of decreasing expenditure by \$3,752 (1993 \$37,000) and increasing accrued vacation pay to \$1,052,439 (1993 \$1,056,191).

(b) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expenditure by \$25,000 and recognizing a pension liability of \$1,600,000.

The effect of the above changes on the Operating Fund balance at the beginning of the year is as follows:

	1994	1993
Balance at beginning of year		
As previously stated	\$ 631,599	\$ 631,472
Vacation pay accrual	(1,056,191)	(1,093,191)
Pension liability	(1,575,000)	—
As restated	<u>\$ (1,999,592)</u>	<u>\$ (461,719)</u>

Note 4 Accounts Receivable

Accounts receivable are summarized as follows:

	1994	1993
General receivables	\$ 925,207	\$ 867,058
Less: Allowance for doubtful accounts	24,812	25,309
	<u>900,395</u>	<u>841,749</u>
Due from departments and agencies	582,821	832,135
	<u>\$1,483,216</u>	<u>\$1,673,884</u>

Note 5 Capital Assets

Capital assets are summarized as follows:

	1994		1993	
	Appraisal	Cost	Total	Total
Land and improvements	\$ 7,851,100	\$ 3,375,611	\$11,226,711	\$10,884,075
Buildings and renovations	39,683,200	18,329,843	58,013,043	57,046,669
Furnishings and equipment	—	5,558,756	5,558,756	5,738,776
Automotive equipment	—	7,803,979	7,803,979	8,276,685
Library	—	1,279,799	1,279,799	1,198,852
Audio-visual	—	573,995	573,995	569,013
Computer hardware and software	—	3,991,740	3,991,740	4,110,271
	<u>\$47,534,300</u>	<u>\$40,913,723</u>	<u>\$88,448,023</u>	<u>\$87,824,341</u>

The Province of Alberta has been granted an option to purchase the whole or any part of the land, buildings and improvements transferred to the College in 1984, for the amount of \$1 per purchase.

During the year, the College changed the criteria for capitalization. Previously, certain capital purchases costing \$500 or less were capitalized. Now only items which cost more than \$500 are capitalized. This change has had the effect of reducing the cost of capital assets and the related equity in capital assets by \$548,239.

Note 6 Long-term Debt

The College has issued the following debentures to the Alberta Municipal Finance Corporation to finance the construction of the College's Industry Education Centre.

Maturity Date	Interest Rate	Principal Outstanding	
		1994	1993
April 15, 2008	8.75%	\$ 482,633	\$ 500,000
May 17, 2008	8.75%	1,399,636	1,450,000
June 15, 2008	8.625%	530,708	550,000
July 15, 2008	8.375%	750,000	—
August 16, 2008	8.125%	750,000	—
September 1, 2008	8.00%	700,000	—
		<u>4,612,977</u>	<u>2,500,000</u>
Due within one year		174,574	87,023
		<u>\$4,438,403</u>	<u>\$2,412,977</u>

Repayment of principal in each of the next five fiscal years will be as follows:

1995	\$174,574
1996	189,358
1997	205,396
1998	222,794
1999	241,666

Accounts receivable and all other amounts due to the College, and a general security assignment have been pledged as collateral for the long-term debt.

Note 7 Funds Held on Behalf of Others

Funds held on behalf of others are summarized as follows:

	1994	1993
Keyano College Foundation	\$173,257	\$127,534
Others	220,512	245,116
	<u>\$393,769</u>	<u>\$372,650</u>

Note 8 Pension Liability

The College participates with other employers in a defined benefit pension plan. The Local Authorities Pension Plan provides pensions for the College's employees based on length of service and earnings.

The College's unfunded pension liability for the plan at June 30, 1994 is \$1,600,000. The total amount of unfunded pension liabilities from this plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liabilities which will be funded by employers. The College's portion of the employer's liability was calculated based on the College's percentage of the total pensionable payroll of all employers.

Note 9 Restricted Fund

Restricted fund is summarized as follows:

	Balance at Beginning of Year	Add Revenue and Transfers	Deduct Expenditure	Balance at end of Year
Endowments, scholarships and bursaries	\$637,803	\$ 67,067	\$ 54,034	\$650,836
Other	626	—	—	626
	<u>\$638,429</u>	<u>\$ 67,067</u>	<u>\$ 54,034</u>	<u>\$651,462</u>
Comparative figures, 1993	<u>\$576,321</u>	<u>\$127,669</u>	<u>\$ 65,561</u>	<u>\$638,429</u>

Note 10 Supplementary Expenditure Information

Operating fund expenditures are summarized by object of expenditure as follows:

	1994	1993
Salaries and benefits	\$16,910,181	\$17,290,530
Supplies and sundry	3,087,841	3,264,704
Maintenance	1,208,806	1,513,989
Utilities and taxes	1,516,044	977,407
Interest on long-term debt	356,263	—
	<u>\$23,079,135</u>	<u>\$23,046,630</u>

Note 11 Salaries and Benefits

	1994				1993	
	Full-time Equivalents ⁽⁵⁾	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Full-time Equivalents	Total
Board Chairman	1.0	\$ 5,033	\$ 36	\$ 5,069	1.0	\$ 5,042
Board members	9.0	26,121	69	26,190	9.0	30,714
	<u>10.0</u>	<u>31,154</u>	<u>105</u>	<u>31,259</u>	<u>10.0</u>	<u>35,756</u>
President ⁽³⁾	1.0	105,063	10,666	115,729	1.0	114,596
Vice President - Instruction ⁽³⁾	1.0	86,826	9,953	96,779	1.0	93,741
Vice President - Student and College Services ⁽³⁾	1.0	86,826	9,953	96,779	1.0	93,739
Dean, MacKenzie Campus	1.0	75,197	8,320	83,517	1.0	70,235
Director, Finance and Computer Services	1.0	72,502	8,879	81,381	1.0	81,339
Other managers (average 1994 \$66,802, 1993 \$68,652)	10.0	595,308	72,710	668,018	12.0	823,824
Other full-time staff:						
Academic (average 1994 \$61,453, 1993 \$62,484)	123.5	6,698,427	891,054	7,589,481	126.6	7,910,499
Support (average 1994 \$37,840, 1993 \$34,404)	176.3	5,778,499	892,821	6,671,320	193.6	6,660,636
Part-time, casual staff and other ⁽⁴⁾	—	1,231,094	14,609	1,245,703	—	1,308,615
	<u>314.8</u>	<u>14,729,742</u>	<u>1,918,965</u>	<u>16,648,707</u>	<u>337.2</u>	<u>17,157,224</u>
Non-recurring costs ⁽⁶⁾				208,967		60,550
Other payroll expenditure ⁽⁷⁾				21,248		37,000
				<u>16,878,922</u>		<u>17,254,774</u>
				<u>\$16,910,181</u>		<u>\$17,290,530</u>

- (1) Salary includes regular base pay, overtime, lump sum payments, vacation payouts, honoraria, and any other direct cash remuneration.
- (2) Employer share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental, vision, group life insurance, accidental death and dismemberment insurance and long and short-term disability plans.
- (3) Automobile provided, no amount included in the benefits and allowances figure.
- (4) Part-time staff consists of individuals who work less than 29 hours per week.
- (5) Number of individuals represents a weighted average count.
- (6) Non-recurring costs represent severance payments.
- (7) Other payroll expenditure includes changes in vacation and pension liabilities.

Note 12 Related Party Transactions

The Keyano College Foundation is a registered public foundation created to solicit, receive and administer funds and property donated for the advancement of the Keyano College. Transfers of funds and property to the College are recorded as revenue by the College when such transfers occur. The accounts of the Foundation are not consolidated with those of the College. During the year, the Foundation transferred \$435,610 (1993 \$367,635) to the College. The College paid \$100,000 (1993 \$100,000) towards salaries and benefits of staff working for the Foundation.

Note 13 Commitments

(a) Operating Leases

Future minimum annual lease payments under operating leases for classroom space and office equipment are:

1995	\$162,152
1996	137,334
1997	45,658
1998	35,165
1999	17,427

(b) Industry Education Centre

The Province of Alberta purchased land adjacent to the College's Clearwater Campus for the construction of the Industry Education Centre and future expansion of the College. The College has paid a deposit of \$387,750 and will provide services valued at \$19,500 over the next two years to acquire this land.

Note 14 Contingency

The College has been named a defendant in a law suit and has received a number of other claims. In the opinion of management, the likely results of the law suit and the claims cannot be determined at this time and consequently no liability has been reflected in these financial statements. Settlement, if any, will be reflected as expenditure when determined.

Note 15 Budget

The Operating Fund budget was approved by the Board of Governors on May 11, 1993 and is presented for comparison with the actual results.

Note 16 Comparative Figures

The 1993 comparative figures have been reclassified and restated where necessary to conform to 1994 presentation.

Note 17 Approval of Financial Statements

These financial statements were approved by management.

LAKELAND COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Fund Balances
Consolidated Statement of Changes in Equity in Capital Assets
Notes to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
Lakeland College

I have audited the consolidated statement of financial position of Lakeland College as at June 30, 1994 and the consolidated statements of changes in fund balances and changes in equity in capital assets for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 11, 1994

LAKELAND COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 1994

	1994	1993
ASSETS		
Cash	\$ 512,743	\$ —
Short-term deposits	5,514,514	6,302,286
Accounts receivable and accrued interest (Note 4)	857,212	937,715
Inventories (Note 5)	482,445	432,508
Prepaid expenses	41,919	6,110
Capital assets (Note 6)	99,272,642	101,686,509
	<u>\$106,681,475</u>	<u>\$109,365,128</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Bank overdraft	\$ —	\$ 146,027
Accounts payable	743,855	825,865
Holdbacks payable	101,484	89,708
Deferred revenue (Note 7)	744,421	567,484
Loan payable	81,708	108,944
Accrued vacation pay	1,174,660	1,246,000
Pension liability (Note 8)	1,436,000	—
	<u>4,282,128</u>	<u>2,984,028</u>
Equity in capital assets	99,272,642	101,686,509
Fund balances:		
Operating	(1,712,415)	(119,489)
Capital	2,180,429	2,250,312
Restricted (Note 9)	1,097,771	1,079,813
	<u>1,565,785</u>	<u>3,210,636</u>
Reserves (Note 10)	1,560,920	1,483,955
	<u>3,126,705</u>	<u>4,694,591</u>
	<u>\$106,681,475</u>	<u>\$109,365,128</u>

The accompanying notes are part of
these consolidated financial statements.

LAKELAND COLLEGE
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994					1993
	Operating		Capital	Restricted	Actual	Total
	Budget	Actual	Actual	Actual	Total	
Revenue						
Grants:						
Province of Alberta (Note 11)	\$16,747,626	\$16,658,534	\$ 507,110	\$ —	\$17,165,644	\$17,474,732
Province of Saskatchewan	582,639	645,708	—	—	645,708	647,964
Continuing education fees and recoveries	2,275,766	3,163,329	—	—	3,163,329	3,074,550
Sales of goods and services (Note 12)	2,337,312	2,568,359	—	—	2,568,359	2,501,480
Tuition fees	1,302,240	1,410,108	—	—	1,410,108	1,240,820
Interest	224,494	197,082	98,709	46,104	341,895	448,516
Donations and other grants	—	5,000	28,700	50,325	84,025	583,015
Proceeds from disposal of capital assets	—	—	43,231	—	43,231	115,037
Other	24,000	60,612	213,100	—	273,712	68,588
	<u>23,494,077</u>	<u>24,708,732</u>	<u>890,850</u>	<u>96,429</u>	<u>25,696,011</u>	<u>26,154,702</u>
Expenditure						
Instruction	9,974,239	9,883,282	—	—	9,883,282	10,088,247
Campus services	3,132,889	3,295,494	—	—	3,295,494	3,168,697
Continuing education	2,102,435	2,971,233	—	—	2,971,233	2,818,408
Student services	2,308,485	2,247,789	—	78,471	2,326,260	2,327,634
Cost of goods and services sold (Note 12)	2,330,713	2,276,872	—	—	2,276,872	2,267,472
Finance and general administration	1,524,401	1,504,826	—	—	1,504,826	1,581,138
Academic management and services	1,603,729	1,550,970	—	—	1,550,970	1,580,942
Acquisition of capital assets	139,107	281,005	959,157	—	1,240,162	4,439,512
Severance pay	—	470,233	—	—	470,233	—
Board and senior administration	378,079	331,565	—	—	331,565	381,934
	<u>23,494,077</u>	<u>24,813,269</u>	<u>959,157</u>	<u>78,471</u>	<u>25,850,897</u>	<u>28,653,984</u>
Excess (deficiency) of revenue over expenditure	\$ —	(104,537)	(68,307)	17,958	(154,886)	(2,499,282)
Inter-fund transfers for asset acquisitions	—	1,576	(1,576)	—	—	—
Reserves:						
Returned to operating fund	—	363,784	—	—	363,784	2,196,289
Appropriated from operating fund	—	(440,749)	—	—	(440,749)	(526,638)
Changes in fund balances for the year	—	(179,926)	(69,883)	17,958	(231,851)	(829,631)
Fund balances at beginning of year, as restated (Note 3)	—	(1,532,489)	2,250,312	1,079,813	1,797,636	4,040,267
Fund balances at end of year	—	<u>\$ (1,712,415)</u>	<u>\$ 2,180,429</u>	<u>\$ 1,097,771</u>	<u>\$ 1,565,785</u>	<u>\$ 3,210,636</u>

LAKELAND COLLEGE
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$101,686,509	\$ 98,401,103
Add: Acquisition of capital assets	1,240,162	4,439,512
	<u>102,926,671</u>	<u>102,840,615</u>
Deduct: Write off of capital assets due to a change in capitalization threshold	3,120,193	—
Write off of capital assets purchased during the year costing less than the capitalization limit	283,819	456,111
Cost of capital asset disposals	250,017	697,995
	<u>3,654,029</u>	<u>1,154,106</u>
Balance at end of year	<u>\$ 99,272,642</u>	<u>\$101,686,509</u>

LAKELAND COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Mission

Lakeland College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. Under section 149(1)(f) of the Income Tax Act, the College is exempt from the payment of income taxes.

The College's mission as an inter-provincial college is to provide quality educational services responsive to needs of the workplace, community and society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.

(b) Basis of Consolidation

These consolidated financial statements include the accounts of the College's wholly owned subsidiary Lakeland Equestrian Centre Inc., which was incorporated in the Province of Saskatchewan, under the Non-Profit Corporations Act, on November 20, 1992.

(c) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with primary educational activities, and the provision of goods and services.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of capital assets.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal be held intact. Interest revenue earned on resources of the Restricted Fund are reported as part of expendable funds in the Restricted Fund.

(d) Reserves

The Board of Governors appropriates amounts from fund balances to provide for specific requirements in subsequent fiscal years. These amounts are returned to fund balances from reserves when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

(e) Revenue Recognition

Revenue for the provision of goods or services is recognized when the goods or services are provided. Amounts received for goods and services to be delivered, and for programs commencing in the next fiscal year, are recorded as deferred revenue. Continuing education revenue and expenditure are deferred and recorded upon completion of the course. All other revenues of the operating, capital and restricted funds are recognized as revenue when received.

(f) Capital Assets

Capital assets, including donated assets, are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting credit to equity in capital assets or appropriate liability if the capital asset is financed. No amortization is recorded.

Capital assets are recorded at cost except for the base herd, donated capital assets and assets transferred from the Province of Alberta. The base herd is recorded at the lower of cost and fair market value. Donated capital assets are recorded at fair market value as at the date of acquisition. Land, site improvements and buildings transferred from the Province of Alberta are recorded at fair market value, replacement cost and amortized replacement cost respectively, as at the dates of transfer, as determined by independent appraisals.

The College's capitalization criteria for furniture and equipment is in accordance with guidelines of the Department of Advanced Education and Career Development. Assets with a value less than the capitalization limit are shown as a deduction in the consolidated statement of changes in equity in capital assets.

(g) Inventories

Inventories of merchandise and supplies are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Livestock inventory is recorded at the lower of cost and net realizable value.

(h) Pension Costs

Pension costs charged to expenditure comprise the cost of pension obligations earned by employees during the year and interest on the College's portion of unfunded pension liabilities.

(i) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these consolidated financial statements is considered to be adequate.

Note 3 Changes in Accounting Policies

(a) Vacation Pay

The College has changed its method of recording vacation pay. Vacation pay, which was previously charged to expenditure when paid, is now charged to expenditure in the period in which it is earned. This change has been applied retroactively and has the effect of decreasing expenditure by \$71,340 (1993 increasing expenditure by \$95,000) and increasing accrued vacation pay and decreasing the Operating Fund balance by \$1,174,660 (1993 \$1,246,000).

(b) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expenditure by \$23,000 and recognizing a pension liability of \$1,436,000.

The effect of the above changes on the Fund balances at the beginning of the year is as follows:

	<u>1994</u>	<u>1993</u>
Operating Fund balance at beginning of year		
As previously stated	\$ 1,126,511	\$ 1,238,627
Vacation pay accrual	(1,246,000)	(1,151,000)
Pension liability	<u>(1,413,000)</u>	<u>—</u>
As restated	(1,532,489)	87,627
Capital Fund	2,250,312	2,983,074
Restricted Fund	<u>1,079,813</u>	<u>969,566</u>
	<u>\$ 1,797,636</u>	<u>\$ 4,040,267</u>

Note 4 Accounts Receivable and Accrued Interest

Accounts receivable and accrued interest is summarized as follows:

	<u>1994</u>	<u>1993</u>
Trade receivables	\$731,017	\$847,006
Accrued interest	96,973	59,277
Northern Alberta Dairy Pool, reserve shares	<u>29,222</u>	<u>31,432</u>
	<u>\$857,212</u>	<u>\$937,715</u>

The reserve shares are receivable in annual instalments and result from participation by the College as a member of the Northern Alberta Dairy Pool.

Note 5 Inventories

Inventories are summarized as follows:

	<u>1994</u>	<u>1993</u>
Bookstore	\$239,044	\$219,179
Livestock	192,545	193,096
Farm	46,622	14,765
Quip Shop	2,426	3,136
Lounge	<u>1,808</u>	<u>2,332</u>
	<u>\$482,445</u>	<u>\$432,508</u>

Note 6 Capital Assets

Capital assets are summarized as follows:

	1994			1993
	Appraised Value	Cost	Total	Total
Land	\$ 715,558	\$ 869,790	\$ 1,585,348	\$ 1,585,348
Buildings	5,974,580	63,779,119	69,753,699	69,729,106
Buildings under construction	—	135,131	135,131	59,650
Site improvements	7,300,000	9,351,531	16,651,531	16,601,368
Furniture and equipment	—	10,871,840	10,871,840	13,444,155
Base herd	—	68,700	68,700	73,850
Library	—	206,393	206,393	193,032
	<u>\$ 13,990,138</u>	<u>\$ 85,282,504</u>	<u>\$ 99,272,642</u>	<u>\$101,686,509</u>

The Province of Alberta has been granted an option to purchase the whole or any part of transferred land and buildings for \$1.

Note 7 Deferred Revenue

Deferred revenue is summarized as follows:

	1994	1993
Continuing education	\$440,012	\$425,922
Tuition and residence fees	170,468	168,965
Projects and programs	<u>133,941</u>	<u>(27,403)</u>
	<u>\$744,421</u>	<u>\$567,484</u>

Note 8 Pension Liability

The College participates with other employers in a defined benefit pension plan. The Local Authorities Pension Plan provides pensions for the College's employees based on length of service and earnings.

The total amount of unfunded pension liability for the plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of this pension liability to be funded over a period of 42 years by employers, the Province of Alberta and plan participants. The College's portion of the employers' unfunded pension liability at June 30, 1994 is \$1,436,000, calculated on the basis of the College's pensionable payroll as a percentage of the total pensionable payroll of all employers.

Note 9 Restricted Fund

The Restricted Fund consists of:

	1994	1993
Endowment funds:		
Scholarships and grants	\$ 464,103	\$ 461,408
College development	<u>420,089</u>	<u>420,089</u>
	<u>884,192</u>	<u>881,497</u>
Expendable funds:		
Scholarships and grants	132,018	137,642
College development	74,610	49,119
Other	<u>6,951</u>	<u>11,555</u>
	<u>213,579</u>	<u>198,316</u>
	<u>\$1,097,771</u>	<u>\$1,079,813</u>

The Board can use the College development expendable funds on any of the College's programs and activities.

Note 10 Reserves

	Balance at Beginning of Year	Deduct Returned to Operating Fund	Add Appropriated from Operating Fund	Balance at End of Year
Major maintenance, renovations and equipment	\$ 776,735	\$ 120,003	\$ 295,956	\$ 952,688
Delivery initiatives	282,137	148,268	181,449	315,318
Other	<u>425,083</u>	<u>95,513</u>	<u>(36,656)</u>	<u>292,914</u>
	<u>\$1,483,955</u>	<u>\$ 363,784</u>	<u>\$ 440,749</u>	<u>\$1,560,920</u>

Note 11 Grants, Province of Alberta

Grants from the Province of Alberta are summarized as follows:

	1994	1993
Operating:		
Base	\$16,042,112	\$16,268,698
Alberta Adult Development program	616,422	638,504
	<u>16,658,534</u>	<u>16,907,202</u>
Capital:		
General	494,000	446,400
Specific equipment	13,110	8,630
Matching	—	40,496
	<u>507,110</u>	<u>495,526</u>
Restricted matching		72,004
	<u>\$17,165,644</u>	<u>\$17,474,732</u>

Note 12 Goods and Services

Goods and services revenue and expenditure are summarized as follows:

	1994	1993
Revenue		
Residence	\$1,226,629	\$1,318,415
Bookstore	687,032	645,151
Cafeteria and lounge	242,769	224,202
Swimming pool	151,662	148,830
Other projects	260,267	164,882
	<u>\$2,568,359</u>	<u>\$2,501,480</u>
Expenditure		
Residence	\$ 915,326	\$1,127,566
Bookstore	676,880	603,462
Cafeteria and lounge	220,853	208,131
Swimming pool	209,349	200,661
Other projects	254,464	127,652
	<u>\$2,276,872</u>	<u>\$2,267,472</u>

Note 13 Supplementary Expenditure Information

Operating expenditure is summarized by object of expenditure as follows:

	1994	1993
Salaries and benefits	\$18,463,504	\$18,648,935
Supplies and services	4,713,694	6,121,219
Utilities and property taxes	1,165,838	1,127,844
Severance pay	470,233	—
	<u>\$24,813,269</u>	<u>\$25,897,998</u>

Note 14 Salaries and Benefits

	1994				1993	
	Full-time Equivalents	Salary ^(a)	Benefits and Allowances ^(b)	Total	Full-time Equivalents	Total
Chairman of Board	1.00	\$ 5,992	\$ 857	\$ 6,849	1.00	\$ 7,772
Other Board members	8.20	33,667	6,142	39,809	9.50	37,655
		<u>39,659</u>	<u>6,999</u>	<u>46,658</u>		<u>45,427</u>
President	1.00	111,360	12,184	123,544	1.00	124,160
Principal, Vermilion Campus	1.00	83,388	11,027	94,415	1.00	92,925
Senior Academic Officer	1.00	78,924	10,429	89,353	1.00	90,238
Principal, Lloydminster Campus	1.00	77,748	10,617	88,365	1.00	87,048
Director, Administrative Services	1.00	77,748	10,555	88,303	1.00	85,261
Director, Information Services	1.00	74,472	10,325	84,797	1.00	82,181
Director, Student Services	0.90	68,812	8,765	77,577	1.00	86,885
Principal, North Campus	1.00	63,742	10,275	74,017	1.00	71,138
Non-union staff ^(c) (average 1994 \$53,160, 1993 \$52,605)	46.06	2,064,477	384,073	2,448,550	43.60	2,293,569
Other full-time union staff:						
Academic (average 1994 \$62,908, 1993 \$61,814)	111.71	5,898,508	1,128,908	7,027,416	117.80	7,281,681
Support (average 1994 \$32,724, 1993 \$31,725)	116.08	3,254,781	543,832	3,798,613	113.37	3,596,623
Part-time and casual wage staff ^(d)		<u>4,115,020</u>	<u>355,216</u>	<u>4,470,236</u>		<u>4,616,799</u>
		<u>\$16,008,639</u>	<u>\$ 2,503,205</u>	<u>18,511,844</u>		<u>18,553,935</u>
Other payroll expenditures ^(e)				<u>(48,340)</u>		<u>95,000</u>
				<u>\$18,463,504</u>		<u>\$18,648,935</u>

(a) Salary includes regular base pay, bonuses, overtime, lump sum payments and any other direct cash remuneration.

(b) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension plans, unemployment insurance, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and professional development.

(c) Non-union staff consists of other managers and all excluded staff.

(d) Casual wage staff includes all temporary employees. Part-time staff includes academic staff that have less than 12 student contact hours per week and all other employees that work less than 29 hours per week.

(e) Other payroll expenditures consist of changes in vacation and pension accruals.

Note 15 Lease Commitments

The College has entered into several leases for land and buildings, which require the following payments:

1994-95	\$115,624
1995-96	101,136
1996-97	67,023
1997-98	<u>2,242</u>
	<u>\$286,025</u>

Note 16 Operating Budget

The operating budget was approved by the Board of Governors on May 26, 1993. The budget did not anticipate the 5% reduction in the Province of Alberta grants in the final quarter of the year. Continuing education revenue and expenditure budgets do not include revenues and expenditure of ad hoc programs negotiated subsequent to the May 26, 1993 approved budget.

Note 17 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 18 Approval of Financial Statements

These financial statements were approved by the Board of Governors.

THE LASER INSTITUTE
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Equity
Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Operations Expenses
Schedule of General and Administration Expenses

AUDITOR'S REPORT

To the Members of
The Laser Institute

I have audited the balance sheet of The Laser Institute as at March 31, 1995 and the statements of revenue, expenditure and equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 17, 1995

THE LASER INSTITUTE
BALANCE SHEET
MARCH 31, 1995

	1995	1994 (Note 10)
ASSETS		
Current:		
Cash	\$ 666,571	\$ 767,215
Accounts receivable	299,459	259,418
Inventory and work in progress	23,812	13,833
Prepaid expenses	9,082	12,071
	<u>998,924</u>	<u>1,052,537</u>
Investment, at cost (Note 3)	53,829	—
Capital assets (Note 4)	398,777	512,665
	<u><u>\$1,451,530</u></u>	<u><u>\$1,565,202</u></u>
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued liabilities	\$ 115,113	\$ 368,302
Equity	1,336,417	1,196,900
	<u><u>\$1,451,530</u></u>	<u><u>\$1,565,202</u></u>
The accompanying notes and schedules are part of these financial statements.		

THE LASER INSTITUTE
STATEMENT OF REVENUE, EXPENDITURE AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
	Budget (Note 9)	Actual (Note 10)
REVENUE		
Contract sales and services (Note 5)	\$1,615,800	\$1,473,568
Operating grant	750,000	800,000
Interest	10,000	22,639
Miscellaneous	2,500	6,019
	<u>2,378,300</u>	<u>2,090,082</u>
EXPENDITURE		
Salaries and benefits	790,158	768,986
Direct cost of contract sales:		851,109
Labour	329,457	399,051
Other	412,257	238,816
Amortization	383,346	240,585
Operations, Schedule 1	178,991	158,651
Occupancy	184,724	150,177
Research and development (excluding labour)	130,040	88,922
General and administration, Schedule 2	50,200	62,506
Communications	20,900	15,524
	<u>2,480,073</u>	<u>2,123,218</u>
Excess (deficiency) of revenue over expenditure for the year	<u><u>\$ (101,773)</u></u>	<u><u>(57,585)</u></u>
Equity at beginning of year		1,196,900
Equity at end of year		<u><u>\$1,336,417</u></u>
		<u><u>\$1,196,900</u></u>

THE LASER INSTITUTE
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u> (Note 10)
Operating activities:		
Excess (deficiency) of revenue over expenditure	\$ 139,517	\$ (57,585)
Add:		
Amortization	240,585	320,911
Loss on disposal of capital assets	5,641	9,828
Write-off of capital assets (Note 4)	10,975	—
	<u>396,718</u>	<u>273,154</u>
Changes in non-cash working capital:		
Accounts receivable	(40,041)	45,871
Inventory and work in progress	(9,979)	4,228
Prepaid expenses	2,989	6,139
Accounts payable and accrued liabilities	(253,189)	212,242
	<u>(300,220)</u>	<u>268,480</u>
Cash generated from operations	<u>96,498</u>	<u>541,634</u>
Investing activities:		
Acquisitions of capital assets	(143,313)	(394,192)
Increase in investments	(53,829)	—
Cash applied to investing activities	<u>(197,142)</u>	<u>(394,192)</u>
Financing activity:		
Decrease in deposits	—	106,338
Cash generated from financing activity	—	106,338
(Decrease) increase in cash	(100,644)	253,780
Cash at beginning of year	767,215	513,435
Cash at end of year	<u>\$ 666,571</u>	<u>\$ 767,215</u>

THE LASER INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Laser Institute (the "Institute") was incorporated under the provisions of Part 9 of the Alberta Companies Act as a not-for-profit company limited by guarantee. It is affiliated with The University of Alberta.

The Institute was established to participate in the furtherance of the commercial or potentially commercial applications of lasers in industry and research.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Operating Grant

The operating grant is received from the Province of Alberta, Department of Economic Development and Tourism, and is recorded in the year for which it is approved.

(b) Amortization

Capital assets, except for leasehold improvements, are amortized on a declining balance basis over their estimated useful lives as follows:

Office furniture and equipment	20%
Lasers and workstations	40%
Laboratory equipment and instruments	40%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Note 3 Investment, at Cost

As partial compensation for development work performed, the Institute is entitled to receive 219,062 class A common shares in Prime-Link Corp., a company involved in the research and development of data storage technology. The shares are held in trust for the Institute under an escrow agreement filed with the Alberta Securities Commission which restricts their sale. At March 31, 1995 the shares had a market value of \$186,203.

Note 4 Capital Assets

	1995			1994
	Cost	Accumulated Amortization	Net Book Value	(Note 10) Net Book Value
Office furniture and equipment	\$ 181,221	\$ 118,509	\$ 62,712	\$ 65,571
Lasers and workstations	1,782,092	1,560,090	222,002	307,389
Laboratory equipment and instruments	772,695	663,635	109,060	119,068
Leasehold improvements	48,459	43,456	5,003	20,637
	<u>\$2,784,467</u>	<u>\$2,385,690</u>	<u>\$ 398,777</u>	<u>\$ 512,665</u>

Effective April 1, 1994, the Institute increased the threshold for capitalizing capital assets to \$1,000. Previously capitalized assets costing \$312,897, together with related amortization of \$301,922, were written off to conform to this policy. This increased the Institute's expenses by \$10,975.

Note 5 Contract Sales and Services

Contract sales and services includes revenue from government contracts totalling \$187,663 (1994 \$164,117).

Note 6 Salaries and Benefits

	1995				1994	
	Number of Individuals	Salary and Wages ⁽¹⁾	Benefits ⁽²⁾	Total	Number of Individuals	Total
Chairman of the Board	1	\$ 750	\$ —	\$ 750	1	\$ 250
Board members	3	2,750	—	2,750	3	1,750
Subtotal ⁽³⁾		<u>3,500</u>	<u>—</u>	<u>3,500</u>		<u>2,000</u>
President	1	88,825	8,307	97,132	1	94,853
Optoelectronics Director	1	77,680	9,006	86,686	1	83,886
Materials Processing Director	1	75,680	8,958	84,638	1	82,386
Job Shop Manager	1	53,319	7,116	60,435	1	59,517
Other salaried staff (average 1995 \$44,576, 1994 \$45,582)	15	589,334	79,305	668,639	17	774,909
Non-salaried staff		<u>161,721</u>	<u>8,786</u>	<u>170,507</u>		<u>69,287</u>
Subtotal ⁽⁴⁾		<u>1,046,559</u>	<u>121,478</u>	<u>1,168,037</u>		<u>1,164,838</u>
		<u>\$1,050,059</u>	<u>\$ 121,478</u>	<u>\$1,171,537</u>		<u>\$1,166,838</u>

(1) Salary and wages includes regular base pay, overtime, lump sum payments and honoraria.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long-term disability plan, professional memberships and tuition.

(3) Board members' honoraria of \$3,500 (1994 \$2,000) shown above plus expenses of \$9,570 (1994 \$5,066) for a total of \$13,070 (1994 \$7,066) are shown in Schedule 2 as Board members' honoraria and expenses.

(4) This subtotal includes salaries and benefits of \$768,986 (1994 \$851,109) and direct cost of contract sales: labour \$399,051 (1994 \$313,729) as reported on the Statement of Revenue, Expenditure and Equity, for a total of \$1,168,037 (1994 \$1,164,838).

Note 7 Commitments

The Institute renewed the lease on its premises for a five year term commencing February 1, 1991. Minimum annual payments for base lease costs during the term will be \$61,425.

At March 31, 1995, the Institute had contracted for the acquisition of a laser in the amount of \$220,000.

Note 8 Related Party Transactions

During the year, revenue received from contracts with The University of Alberta amounted to \$1,624 and disbursements of \$39,829 were made to the University.

Note 9 Budget

The 1995 budget was approved by the Board of Directors in December 1993, and was revised in June 1994 to reflect a reduction in grant funding from the Province, and is presented for comparison with the 1995 actual figures.

Note 10 Comparative Figures

Subsequent to June 1, 1994, the date of the original auditor's report on 1994 financial statements, it was recognized that certain laboratory equipment acquired conditional on satisfactory testing for performance had been recorded, in the 1994 fiscal year, as an acquisition of capital assets. Revised financial statements were issued which include an adjustment to remove laboratory equipment which should not have been recorded as a capital asset, to properly classify other capital assets, to reclassify operating grant revenue to contract sales and services, and to correct the recording of accounts payable. These corrections had the effect of increasing accounts receivable by \$4,784, equity by \$86,506, contract sales and services by \$99,364 and salaries and benefits by \$4,258 and decreasing capital assets by \$152,914, accounts payable and accrued liabilities by \$234,636, operating grants by \$94,580 and amortization by \$85,980. Other 1994 figures have been reclassified where necessary to conform to 1995 presentation.

Note 11 Approval of Financial Statements

These financial statements were approved by management.

Schedule 1

THE LASER INSTITUTE
SCHEDULE OF OPERATIONS EXPENSES
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	Budget	Actual	Actual
Laboratory and laser repairs and maintenance	\$ 43,880	\$ 85,257	\$ 39,562
Travel	38,650	17,980	31,375
Advertising and promotion	37,804	16,972	26,366
Supplies	22,818	12,408	45,904
Conference and professional development	18,100	11,341	9,434
Dues, subscriptions and reference materials	10,489	10,192	6,394
Vehicle	5,050	2,980	5,076
Entertainment	2,200	1,521	1,749
Bids and proposals	—	—	16
	<u>\$178,991</u>	<u>\$158,651</u>	<u>\$165,876</u>

Schedule 2

THE LASER INSTITUTE
SCHEDULE OF GENERAL AND ADMINISTRATION EXPENSES
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	Budget	Actual	Actual
Legal and professional	\$15,000	\$18,700	\$31,126
Board members' honoraria and expenses	14,000	13,070	7,066
Office supplies	10,000	12,009	10,561
Interest and service charges	4,500	5,181	7,064
Office equipment lease	2,000	1,776	—
Repairs and maintenance of office equipment	3,200	894	3,027
Bad debts	—	—	9,485
Miscellaneous	1,500	10,876	4,765
	<u>\$50,200</u>	<u>\$62,506</u>	<u>\$73,094</u>

THE LASER INSTITUTE
FINANCIAL STATEMENTS
MARCH 31, 1994

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Balance Sheet
Statement of Revenue, Expenditure and Equity
Notes to the Financial Statements
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Schedule of General and Administration Expenses

AUDITOR'S REPORT

To the Members of
The Laser Institute

I have audited the balance sheet of The Laser Institute as at March 31, 1994 and the statement of revenue, expenditure and equity for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Alberta Companies Act, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

The previous auditor's report dated June 1, 1994 has been withdrawn and the Institute's financial statements revised as described in Note 11.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 1, 1994, except as to
Note 11 which is as of
March 9, 1995

THE LASER INSTITUTE
BALANCE SHEET
MARCH 31, 1994

	<u>1994</u>	<u>1993</u>
ASSETS		
Current:		
Cash	\$ 767,215	\$ 513,435
Accounts receivable	259,418	305,289
Prepaid expenses	12,071	18,210
Work in progress	13,833	18,061
	<u>1,052,537</u>	<u>854,995</u>
Deposits	—	106,338
Capital assets (Note 3)	512,665	449,212
	<u>\$1,565,202</u>	<u>\$1,410,545</u>
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued liabilities	\$ 368,302	\$ 156,060
Equity	1,196,900	1,254,485
	<u>\$1,565,202</u>	<u>\$1,410,545</u>
The accompanying notes and schedules are part of these financial statements.		

THE LASER INSTITUTE
STATEMENT OF REVENUE, EXPENDITURE AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1994

	<u>1994</u>	<u>1993</u>
	<u>Budget</u>	<u>Actual</u>
	(Note 8)	<u>Actual</u>
REVENUE		
Contract sales and services (Note 4)	\$1,167,022	\$1,261,424
Operating grants (Note 5)	897,000	800,000
Interest	10,142	22,639
Miscellaneous	2,650	6,019
	<u>2,076,814</u>	<u>2,090,082</u>
EXPENDITURE		
Salaries and benefits	645,958	777,035
Direct cost of contract sales	602,950	537,210
Amortization	360,635	320,911
Operations, Schedule 1	179,149	166,706
Occupancy	125,236	131,126
Research and development	249,382	124,782
General and administration, Schedule 2	55,357	68,836
Communications	19,073	21,061
	<u>2,237,740</u>	<u>2,147,667</u>
Deficiency of revenue over expenditure for the year	(160,926)	(57,585)
Equity at beginning of year	1,254,485	1,254,485
Equity at end of year	<u>\$1,093,559</u>	<u>\$1,196,900</u>

THE LASER INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1994

Note 1 Authority

The Laser Institute is wholly owned by The University of Alberta. The Institute was incorporated under the provisions of Part IX of the Alberta Companies Act as a not-for-profit company limited by guarantee.

The Institute was established to participate in the furtherance of the commercial or potentially commercial applications of lasers in industry and research.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Amortization

Capital assets, except for leasehold improvements, are amortized on the reducing balance basis at the following rates:

Furniture and fixtures	20%
Office equipment	20%
Laboratory machinery and equipment	40%

Leasehold improvements are amortized over the term of the lease.

(b) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Capital Assets

	1994		1993	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 24,652	\$ 19,960	\$ 4,692	\$ 5,902
Office equipment	165,400	104,521	60,879	82,271
Laboratory machinery and equipment	2,550,095	2,123,638	426,457	331,397
Leasehold improvements	212,233	191,596	20,637	29,642
	<u>\$2,952,380</u>	<u>\$2,439,715</u>	<u>\$ 512,665</u>	<u>\$ 449,212</u>

Note 4 Contract Sales and Services

Contract sales and services includes revenue from government contracts totalling \$164,117 (1993 \$195,262).

Note 5 Operating Grants

	1994	1993
Province of Alberta, Department of Economic Development and Tourism:		
Operating	\$800,000	\$600,000
International Technology Transfer Program	—	9,800
	<u>\$800,000</u>	<u>\$609,800</u>

Note 6 Commitments

The Institute renewed its lease of premises for a five year term commencing February 1, 1991. Minimum annual payments for base lease costs during the term will be \$61,425.

Note 7 Related Party Transactions

During the year, revenue received from contracts with The University of Alberta amounted to \$7,222 and disbursements of \$12,466 were made to the University relating to insurance and vehicle lease costs.

Note 8 Budget

The 1994 budget was approved by the Board of Directors in August 1993 and is presented for comparison with the 1994 actual figures.

Note 9 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 10 Approval of Financial Statements

These financial statements were approved by management.

Note 11 Correction of Error

Subsequent to June 1, 1994, the date of the original auditor's report, it was recognized that certain laboratory equipment acquired conditional on satisfactory testing for performance had been recorded, in the 1994 fiscal year, as an acquisition of capital assets. These financial statements include an adjustment to remove laboratory equipment which should not have been recorded as a capital asset, to properly classify other capital assets, to reclassify operating grant revenue to contract sales and services, and to record an additional accounts payable. These corrections have had the effect of increasing accounts receivable by \$4,784, equity by \$86,506, contract sales and services by \$99,364, and salaries and benefits by \$4,258, and decreasing capital assets by \$152,914, accounts payable and accrued liabilities by \$234,636, operating grants by \$94,580 and amortization by \$85,980.

Schedule 1

THE LASER INSTITUTE
SCHEDULE OF OPERATIONS EXPENSES
FOR THE YEAR ENDED MARCH 31, 1994

	1994		1993
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Laboratory supplies and tools	\$ 46,760	\$ 45,904	\$ 29,185
Laboratory repairs and maintenance	39,763	39,562	23,024
Travel	21,382	31,375	37,419
Advertising and promotion	32,201	26,366	35,015
Conference and education	15,293	10,264	12,756
Dues, subscriptions and reference materials	8,005	6,394	21,741
Vehicle	6,468	5,076	6,417
Entertainment	1,677	1,749	3,238
Bids and proposals	—	16	1,246
Scholarships	6,000	—	2,664
Consulting fees	1,600	—	1,397
	<u>\$179,149</u>	<u>\$166,706</u>	<u>\$174,102</u>

Schedule 2

THE LASER INSTITUTE
SCHEDULE OF GENERAL AND ADMINISTRATION EXPENSES
FOR THE YEAR ENDED MARCH 31, 1994

	1994		1993
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Legal and professional	\$21,000	\$31,126	\$44,920
Office supplies	11,900	10,561	28,371
Bad debts	—	9,485	2,066
Board members' honoraria and expenses	14,000	7,066	12,016
Interest and service charges	4,289	7,064	4,596
Repairs and maintenance of office equipment	3,200	3,027	3,128
Miscellaneous	968	507	662
	<u>\$55,357</u>	<u>\$68,836</u>	<u>\$95,759</u>

LETHBRIDGE COMMUNITY COLLEGE
COMBINED FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report

Combined Statement of Financial Position

Combined Statement of Changes in Fund Balances

Combined Statement of Changes in Equity in Capital Assets

Combined Statement of Reserves

Combined Statement of Restricted Funds

Notes to the Combined Financial Statements

Combined Schedule of Changes in Operating Fund Balances

Combined Schedule of Salaries and Benefits

AUDITOR'S REPORT

To the Board of Governors of
Lethbridge Community College

I have audited the combined statement of financial position of Lethbridge Community College as at June 30, 1994 and the combined statements of changes in fund balances, changes in equity in capital assets, reserves and restricted funds for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the combined financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
September 30, 1994

LETHBRIDGE COMMUNITY COLLEGE
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	1994	1993
ASSETS		
Cash, short-term deposits and Treasury Bills	\$ 8,089,571	\$ 7,871,332
Accounts receivable (Note 4)	1,107,704	1,232,245
Accrued interest	108,177	122,404
Inventories (Note 5)	584,023	636,208
Prepaid expenses	147,614	182,212
Capital assets (Note 6)	86,787,871	87,217,330
	<u>\$96,824,960</u>	<u>\$97,261,731</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Bank overdraft	\$ 527,869	\$ 391,046
Accounts payable and accrued liabilities	2,079,800	1,483,311
Deferred revenue (Note 7)	486,252	980,575
Pension liability (Note 8)	1,903,862	—
Funds held on behalf of others (Note 9)	1,240,813	760,853
	<u>6,238,596</u>	<u>3,615,785</u>
Equity in capital assets	86,787,871	87,217,330
Fund balances		
Operating (Note 10)	(235,023)	2,586,873
Capital	1,892,728	1,485,609
Restricted	1,864,125	1,765,220
	<u>3,521,830</u>	<u>5,837,702</u>
Reserves	276,663	590,914
	<u>3,798,493</u>	<u>6,428,616</u>
	<u>\$96,824,960</u>	<u>\$97,261,731</u>

The accompanying notes and schedules are part of these combined financial statements.

LETHBRIDGE COMMUNITY COLLEGE
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994				1993
	Operating		Capital	Restricted	Total
	Budget	Actual	Actual	Actual	Actual
Revenue					
Grants, Province of Alberta (Note 11)	\$18,763,222	\$18,754,947	\$ 716,400	\$ —	\$19,471,347
Grants, other	—	293,931	—	—	293,931
Non-credit programs (Note 11)	3,980,196	3,356,795	—	—	3,356,795
Tuition fees	4,051,328	4,594,446	—	—	4,594,446
Sales, rentals and services	4,496,296	4,869,328	—	—	4,869,328
Investment income	178,352	244,090	80,371	78,197	402,658
Donations	—	74,267	69,560	76,040	219,867
Proceeds from disposal of capital assets	—	—	45,865	—	45,865
Foundation	—	—	—	96,961	96,961
Other	—	2,747	—	—	2,747
	<u>31,469,394</u>	<u>32,190,551</u>	<u>912,196</u>	<u>251,198</u>	<u>33,353,945</u>
Expenditure (Note 15)					
Instruction	16,040,840	17,918,347	—	43,915	17,962,262
Non-credit programs	3,762,410	3,421,092	—	—	3,421,092
Support services	3,969,504	3,830,287	—	694	3,830,981
Administration	2,907,802	2,584,444	—	31,056	2,615,500
Student affairs	1,337,867	1,378,366	—	68,035	1,446,401
Cost of sales, rentals and services	3,438,399	3,058,164	—	—	3,058,164
Purchase of capital assets	—	—	1,257,314	—	1,257,314
	<u>31,456,822</u>	<u>32,190,700</u>	<u>1,257,314</u>	<u>143,700</u>	<u>33,591,714</u>
Excess (deficiency) of revenue over expenditure	12,572	(149)	(345,118)	107,498	(237,769)
Inter-fund transfers (Note 12)	—	(752,237)	752,237	—	—
Reserves					
Returned to fund balances	—	479,395	—	—	479,395
Appropriated from fund balances	—	(165,144)	—	—	(165,144)
Change in fund balances for the year	12,572	(438,135)	407,119	107,498	76,482
Fund balances at beginning of year, as previously reported	—	2,586,873	1,485,609	1,765,220	5,837,702
Adjustments for					
Pension liability (Note 3(a))	—	(1,874,023)	—	—	(1,874,023)
Vacation pay (Note 3(b))	—	(509,738)	—	(8,593)	(518,331)
Fund balances at beginning of year, as restated	—	203,112	1,485,609	1,756,627	3,445,348
Fund balances at end of year	<u>\$ 12,572</u>	<u>\$ (235,023)</u>	<u>\$ 1,892,728</u>	<u>\$ 1,864,125</u>	<u>\$ 3,521,830</u>

(Note 10)

LETHBRIDGE COMMUNITY COLLEGE
COMBINED STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$87,217,330	\$86,835,110
Add: Purchase of capital assets	1,257,314	1,670,254
Assets not previously capitalized	—	2,782
Donations of capital assets	27,735	6,938
	<u>88,502,379</u>	<u>88,515,084</u>
Deduct: Disposal of capital assets	1,714,508	1,297,754
Balance at end of year	<u>\$86,787,871</u>	<u>\$87,217,330</u>

LETHBRIDGE COMMUNITY COLLEGE
COMBINED STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Deduct Returned to Fund Balances	Add Appropriated from Fund Balances	Balance at End of Year
Staff and program development	\$317,739	\$284,661	\$ 77,633	\$110,711
Board special projects	73,798	77,216	3,418	—
Early retirement benefits	51,645	12,911	2,300	41,034
Alumni Association income trust	63,005	—	3,181	66,186
Other	84,727	104,607	78,612	58,732
	<u>\$590,914</u>	<u>\$479,395</u>	<u>\$165,144</u>	<u>\$276,663</u>

LETHBRIDGE COMMUNITY COLLEGE
COMBINED STATEMENT OF RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Intra-Fund Transfers	Revenue	Expenditure	Balance at End of Year
Principal					
College funded scholarships ^(b)	\$ 115,668	\$ —	\$ —	\$ —	\$ 115,668
Endowments - College	818,929	2,688	8,177	—	829,794
Endowments - Foundation	281,578	—	30,893	—	312,471
	<u>1,216,175</u>	<u>2,688</u>	<u>39,070</u>	<u>—</u>	<u>1,257,933</u>
Expendable					
College funded scholarships ^(b)	89,311	—	10,185	7,950	91,546
Donated scholarships	6,743	(18)	40,427	35,510	11,642
Foundation operating fund	110,719	—	33,000	31,056	112,663
Endowments earnings - College	220,975	(787)	51,965	24,277	247,876
Endowments earnings - Foundation	17,002	—	15,504	—	32,506
Professional development enhancement	90,395	(2,635)	60,779	44,907	103,632
Nursing emergency loans	5,307	752	268	—	6,327
	<u>540,452</u>	<u>(2,688)</u>	<u>212,128</u>	<u>143,700</u>	<u>606,192</u>
	<u>\$1,756,627</u>	<u>\$ —</u>	<u>\$ 251,198</u>	<u>\$ 143,700</u>	<u>\$1,864,125</u>

(a) The expendable balance for the Foundation operating fund and the total balance have been restated to include the effect of the adjustment to restricted funds for accrued vacation pay (see Note 3(b)).

(b) The funds provided by the College have been matched by the Province and the total contributions, including interest earned, are under the matching arrangements externally restricted to the payment of scholarships.

LETHBRIDGE COMMUNITY COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority

Lethbridge Community College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that:

- (i) Capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.
- (ii) Donated land is recorded at a nominal value.

(b) Combined Statements

These combined financial statements include the accounts of the Lethbridge Community College Foundation, which operates under the Alberta Companies Act. The Foundation is an autonomous entity, and its activities are directed to the support and advancement of the College.

Accordingly, the accounts of the two organizations have been combined to reflect the financial position and results of operations as though they were a single economic entity. Inter-entity balances and transactions have been eliminated on combination.

(c) Fund Accounting

The accounts of the College and Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for revenues and expenditures associated with the educational activities of the College.
- (i) Base funded programs account for revenues and expenditures associated with the primary educational activities, physical operations, and services of the College and are supported through regular government operating grants.
- (ii) Non-base funded programs account for revenues and direct expenditures associated with entrepreneurial, cost recovery, and non-credit activities of the College.
- (iii) Ancillary Services accounts for revenues and direct expenditures associated with the provision of goods and services to the College community.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the capital assets of the College.
- The Restricted Fund accounts for deposits and donations which have significant external restrictions on their use or purpose, including endowments for which donors have specified that the principal is to be held intact. Foundation operating revenues and expenditures are included as Restricted Funds.

(d) Revenue

Contributions and tuition fees are recognized as revenue in the period received or receivable except that the portion received for programs commencing in the next fiscal year is deferred.

Revenue for the provision of goods and services is recognized in the period in which the goods are provided or the services rendered.

(e) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College and the Foundation, policies have been established to transfer amounts between funds to achieve the financial objectives of the College.

(f) Inventories

Inventories are valued at the lower of cost or estimated net realizable value.

(g) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets. No amortization is recorded.

Capital assets are recorded at cost, except for donated assets which are recorded at fair market value or, in the case of donated land, at a nominal value.

Assets valued at less than the capitalization limit set by the College are written off in the year of acquisition.

(h) Reserves

The Board of Governors appropriates amounts from fund balances to provide for specific requirements in subsequent fiscal years. These amounts are returned to fund balances when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

(i) Pension Expense and Liability

The cost of pension obligations earned by employees during the year, and interest on the portion of unfunded liabilities which the College is now required to fund, are recorded as expenditure for the year. The portion of unfunded pension liabilities which the College is now required to fund is recorded as liability.

(j) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Change in Accounting Policy

(a) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the portion of unfunded pension liabilities which the College is now required to fund. This change has been applied retroactively by adjustment of opening equity to record the liability at July 1, 1993. Prior period expenditures have not been restated as the related adjustments are not determinable.

As a result of the change, operating fund and total expenditure for the current year, and the deficiency of revenue over expenditure of the operating fund and of the total fund balances have increased by \$29,839. The pension liability at June 30, 1994 increased by \$1,903,862.

(b) Vacation Pay

The College and Foundation have changed their method of recording vacation pay. Vacation pay, which was previously recorded on a cash basis is now being accrued in the period in which it is earned by the employees. This change has been retroactively applied without restatement of prior periods.

As a result of the change, total expenditure and the deficiency of revenue over expenditure for the current year have decreased by \$4,805. Accounts payable and accrued liabilities at June 30, 1994 have increased and fund balances decreased by \$513,526.

Note 4 Accounts Receivable

Accounts receivable are summarized as follows:

	<u>1994</u>	<u>1993</u>
Department of Advanced Education and Career Development	\$ 149,414	\$ 315,970
Other Province of Alberta	252,005	141,707
Other	706,285	774,568
	<u>\$1,107,704</u>	<u>\$1,232,245</u>

Note 5 Inventories

Inventories are summarized as follows:

	<u>1994</u>	<u>1993</u>
Bookstore	\$418,865	\$480,279
Distance Learning options	51,043	74,893
Printing	44,988	42,952
Cafeteria	18,771	13,748
Distance Education Centre	39,803	13,073
Other	10,553	11,263
	<u>\$584,023</u>	<u>\$636,208</u>

Note 6 Capital Assets

Capital assets are summarized as follows:

	<u>1994</u>	<u>1993</u>
Land and buildings	\$64,765,503	\$64,175,530
Furniture and equipment	22,022,368	23,041,800
	<u>\$86,787,871</u>	<u>\$87,217,330</u>

Note 7 Deferred Revenue

Deferred revenue is summarized as follows:

	<u>1994</u>	<u>1993</u>
Non-base funded programs	\$231,410	\$343,494
Tuition fees	222,765	292,628
Capital grants	—	181,475
Special program development grants	—	93,750
Other	32,077	69,228
	<u>\$486,252</u>	<u>\$980,575</u>

At June 30, 1994, the College has received commitments from students for 1994-95 tuition fees, in addition to the above fees received and deferred, amounting to \$2,202,115.

Note 8 Pension Liability

The College participates with other employers in a defined benefit pension plan, the Local Authorities Pension Plan. The Plan provides pensions for the College's employees based on length of service and earnings. The College's unfunded pension liability as at June 30, 1994 is \$1,903,862.

The total amount of unfunded pension liability from the plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During calendar 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of unfunded pension liability which will be funded by employers. The College's portion of that employer's liability was calculated based on the College's percentage of the total pensionable payroll of all employers.

Note 9 Funds Held on Behalf of Others

Funds held on behalf of others are summarized as follows:

	1994	1993
Chinook Education Consortium	\$ 143,860	\$ 179,713
Lethbridge Community College Students Association, clubs, and activities	393,918	252,497
Associated agencies	56,492	32,778
Agricultural programs and research projects	197,496	55,769
Competency Based Apprenticeship Training/Computer Managed Learning development	16,290	29,312
Lethbridge Community College Faculty Association, professional development	257,889	130,943
Deferred staff sabbaticals	90,987	4,260
Other programs and institutes	83,881	75,581
	<u>\$1,240,813</u>	<u>\$ 760,853</u>

Note 10 Operating Fund Balance

Through the enactment of the Public Sector Pension Plans Act, the provincial government has placed the responsibility for a share of past unfunded pension liabilities upon the College. As a result, the College has recorded a liability to reflect the portion it is now required to fund.

The accrual of this liability at June 30, 1994 resulted in a reduction of the operating fund balance of \$1,903,862. Annual adjustments extrapolated from actuarial evaluations will further affect the operating fund balance until the liability is fully funded through contributions by the College. It is estimated the liability will be fully funded by December 31, 2036.

Current service obligations are fully funded by participating employees and the College.

Note 11 Grants, Province of Alberta

Grants from the Province of Alberta are summarized as follows:

	1994	1993
Operating		
Base Funded Programs		
Department of Advanced Education and Career Development:		
Operating and enrolment	\$14,736,765	\$14,923,306
Trades and apprenticeship	2,075,422	2,101,694
	<u>16,812,187</u>	<u>17,025,000</u>
Non-base Funded Programs:		
Department of Advanced Education and Career Development	1,694,628	1,759,350
Department of Education	236,549	630,291
Other departments	11,583	—
	<u>1,942,760</u>	<u>2,389,641</u>
	<u>18,754,947</u>	<u>19,414,641</u>
Capital		
Department of Advanced Education and Career Development:		
Base	716,400	863,100
Special	—	7,352
Matching	—	28,577
	<u>716,400</u>	<u>899,029</u>
Restricted		
Department of Advanced Education and Career Development:		
Matching	—	83,923
	<u>\$19,471,347</u>	<u>\$20,397,593</u>

Included in non-credit program revenue are the following grants from the Province of Alberta:

	1994	1993
Department of Advanced Education and Career Development	\$296,125	\$553,971
Further Education Council	60,677	93,790
Other	151,266	169,240
	<u>\$508,068</u>	<u>\$817,001</u>

Note 12 Inter-Fund Transfers

Inter-fund transfers from operating to capital are summarized as follows:

	1994	1993
Base funded programs		
Capital assets		
- current year	\$ 83,988	\$238,079
- previous years	64,697	47,220
Returned to operating from reserves	396,235	—
	<u>544,920</u>	<u>285,299</u>
Non-base funded programs		
Capital assets		
- current year	57,946	47,345
- previous years	55,733	64,296
College funded scholarships	—	204,979
	<u>113,679</u>	<u>316,620</u>
Ancillary services		
Capital assets		
- current year	21,420	61,029
- previous years	72,218	46,820
	<u>93,638</u>	<u>107,849</u>
	<u>\$752,237</u>	<u>\$709,768</u>

The capital fund is reimbursed after initially financing the purchase of capital assets needed for specific programs and services. Reimbursements are made in the year of acquisition or in annual instalments over several years.

Note 13 Ancillary Services

Ancillary services revenue and expenditure are summarized as follows:

	1994	1993
Revenue		
Bookstore	\$1,377,145	\$1,266,223
Cafeteria	687,180	711,924
Residence	552,231	536,854
Meat store	353,576	402,204
Daycare centre	152,852	128,434
Physical education building	124,689	125,715
Health centre	29,566	34,185
Athletics - special events	37,167	25,815
	<u>\$3,314,406</u>	<u>\$3,231,354</u>
Expenditure		
Bookstore	\$1,214,671	\$1,122,425
Cafeteria	577,709	610,891
Residence	491,785	496,640
Meat store	326,084	370,639
Daycare centre	141,768	125,445
Physical education building	203,459	187,173
Health centre	86,797	85,174
Athletics - special events	15,891	17,312
	<u>\$3,058,164</u>	<u>\$3,015,699</u>

Note 14 Early Retirement Benefits

During the year, the College and Foundation agreed to provide early retirement benefits to certain employees. The cost of these benefits amounted to \$1,111,720 and is included as expenditure of the current year as follows:

Instruction	\$ 923,378
Support services	36,254
Administration	131,174
Student affairs	20,914
	<u>\$1,111,720</u>

Benefits paid during the year amounted to \$413,207. It is intended that the remaining balance of \$698,513 will be paid during the next two years.

Note 15 Expenditure

The Operating Fund expenditure for the year is reclassified by object, as follows:

Academic salaries, contracts, and honoraria	\$12,561,558
Support staff salaries, contracts, and honoraria	5,664,882
Administrative salaries, contracts and honoraria	3,620,238
Benefits	2,690,173
	<u>24,536,851</u>
Cost of sales and rentals	2,175,209
Office, instructional and general supplies	1,596,609
Facilities and equipment maintenance and rentals	1,260,202
Utilities, insurance, taxes, and licences	1,412,971
Travel and field trips	510,110
Professional development	392,671
Advertising, promotion, and recruitment	180,036
Student aid and functions	86,605
Professional services fees	39,436
	<u>\$32,190,700</u>

Note 16 Contingency

The Foundation has been named in a will for a bequest in excess of \$1,000,000. The bequest is currently being challenged by family members of the testator. No recognition has been made in the financial statements for this bequest.

Note 17 Budget

The 1994 budget was approved by the Board of Governors on April 27, 1993.

Note 18 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 19 Approval of Financial Statements

These financial statements have been approved by the Board of Governors.

Schedule 1

LETHBRIDGE COMMUNITY COLLEGE
COMBINED SCHEDULE OF CHANGES IN OPERATING FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	Base Funded Programs	Non-base Funded Programs	Ancillary Services (Note 13)	Total 1994	Total 1993
Revenue					
Grants, Province of Alberta (Note 11)	\$16,812,187	\$ 1,942,760	\$ —	\$18,754,947	\$19,414,641
Grants, other	—	293,931	—	293,931	287,513
Non-credit programs (Note 11)	—	3,356,795	—	3,356,795	4,430,461
Tuition fees	3,734,056	860,390	—	4,594,446	4,075,927
Sales, rentals and services	329,657	1,234,501	3,305,170	4,869,328	4,195,621
Investment income	234,854	—	9,236	244,090	278,549
Donations	69,127	5,140	—	74,267	28,893
Other	2,747	—	—	2,747	1,439
	<u>21,182,628</u>	<u>7,693,517</u>	<u>3,314,406</u>	<u>32,190,551</u>	<u>32,713,044</u>
Expenditure (Note 15)					
Instruction	14,182,290	3,736,057	—	17,918,347	16,822,401
Non-credit programs	—	3,421,092	—	3,421,092	4,009,376
Support services	3,830,287	—	—	3,830,287	3,831,490
Administration	2,584,444	—	—	2,584,444	2,467,094
Student affairs	1,378,366	—	—	1,378,366	1,329,412
Cost of ancillary services	—	—	3,058,164	3,058,164	3,015,699
	<u>21,975,387</u>	<u>7,157,149</u>	<u>3,058,164</u>	<u>32,190,700</u>	<u>31,475,472</u>
Excess (deficiency) of revenue over expenditure	(792,759)	536,368	256,242	(149)	1,237,572
Inter-fund transfers (Note 12)	(544,920)	(113,679)	(93,638)	(752,237)	(709,768)
Reserves					
Returned to fund balances	473,244	6,151	—	479,395	268,507
Appropriated from fund balances	(160,004)	(5,140)	—	(165,144)	(94,642)
Change in fund balances for the year	<u>(1,024,439)</u>	<u>423,700</u>	<u>162,604</u>	<u>(438,135)</u>	<u>701,669</u>
Fund balances at beginning of year, as previously reported	1,376,590	647,688	562,595	2,586,873	1,885,204
Adjustments for					
Pension liability (Note 3(a))	(1,874,023)	—	—	(1,874,023)	—
Vacation pay (Note 3(b))	(433,675)	(54,276)	(21,787)	(509,738)	—
Fund balances at beginning of year, as restated	<u>(931,108)</u>	<u>593,412</u>	<u>540,808</u>	<u>203,112</u>	<u>1,885,204</u>
Fund balances at end of year	<u>\$ (1,955,547)</u>	<u>\$ 1,017,112</u>	<u>\$ 703,412</u>	<u>\$ (235,023)</u>	<u>\$ 2,586,873</u>

LETHBRIDGE COMMUNITY COLLEGE
COMBINED SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED JUNE 30, 1994

	Number of Individuals ^(a)	Salary ^(b)	Benefits and Allowances ^(c)	Total
Chairman of the Board of Governors	1.0	\$ 5,660	\$ 68	\$ 5,728
Board members ^(d)	<u>11.0</u>	<u>21,020</u>	<u>421</u>	<u>21,441</u>
	12.0	26,680	489	27,169
President ^(e)	1.0	100,635	10,998	111,633
Vice President - Administration ^(e)	1.0	85,874	14,049	99,923
Vice President - Academic ^(e)	1.0	85,115	13,994	99,109
Dean of Student Services	1.0	76,907	9,559	86,466
Dean of Continuing Studies	1.0	75,904	9,484	85,388
Other Deans/Directors/ Managers (average 1994 \$59,868)	42.5	2,209,834	334,537	2,544,371
Other full-time staff				
Administration (average 1994 \$43,191)	8.0	292,519	53,010	345,529
Academic (average 1994 \$53,319)	176.0	8,123,800	1,260,343	9,384,143
Support (average 1994 \$27,359)	175.0	4,023,473	764,413	4,787,886
Part-time and casual staff ^(f)				
Administration		253,795	15,722	269,517
Academic		3,445,696	400,233	3,845,929
Support		<u>1,564,484</u>	<u>219,348</u>	<u>1,783,832</u>
		20,364,716	3,106,179	23,470,895
Payroll adjustments:				
Severance payments ^(g)		71,724	—	71,724
Early retirement benefits ^(g)		1,096,232	15,488	1,111,720
Vacation and pension accruals ^(h)		(4,805)	29,839	25,034
Educational sabbatical ⁽ⁱ⁾		—	(68,746)	(68,746)
Memberships and tuitions ^(j)		—	(2,780)	(2,780)
Foundation salaries and benefits ^(k)		<u>(53,827)</u>	<u>(17,169)</u>	<u>(70,996)</u>
Operating fund expenditures		<u>\$21,474,040</u>	<u>\$ 3,062,811</u>	<u>\$24,536,851</u>

(Note 15)

(a) Except for Board members, the number of individuals is expressed as full-time equivalents.

(b) Salary includes regular base pay, overtime, shift differential, vacation pay, sick-time payments, honoraria and any other direct cash remuneration.

(c) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension plans, unemployment insurance, workers compensation, health care, dental coverage, group life insurance, accidental disability and dismemberment, vacation payouts, vehicle allowances, professional memberships and remission of tuition fees.

(d) Board members include one representative from each of the academic and support staff and their stipends as Board members. Their salaries and benefits as full-time employees is included under Other full-time staff.

(e) Executive compensation packages include: a vehicle provided to the President and cash vehicle allowances paid to the Vice Presidents. No amount is included for the vehicle as there is no cash payment whereas the cash allowances are included in the benefits and allowances.

(f) Part-time and casual staff comprise individuals who work less than 29 hours per week; benefits consist of contributions to Unemployment Insurance, Canada Pension Plan and Workers' compensation.

(g) During the year, the College implemented a restructuring program which resulted in severance payments for redundant positions in addition to certain early retirement benefits either paid or accrued.

(h) Of the changes in accounting policy, \$(4,805) applies to vacation pay and \$29,839 is the unfunded pension liability accrual for the College and the Foundation.

(i) Educational sabbaticals are disclosed as benefits in the appropriate classifications, however, this adjustment reflects the College being reimbursed through Professional Development funds.

(j) Professional memberships and remission of tuition fees are disclosed as benefits, however, this adjustment reflects the payments that are being made out of accounts other than payroll.

(k) Foundation salaries and benefits are recorded as expenditure of the Restricted Funds and are therefore not included in Operating Fund salaries and benefits.

(l) Comparative figures for 1993 have not been disclosed as these amounts cannot be reasonably determined.

MEDICINE HAT COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations and Changes in Fund Balances

Consolidated Statement of Changes in Equity in Capital Assets

Consolidated Statement of Reserves

Notes to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
Medicine Hat College

I have audited the consolidated statement of financial position of Medicine Hat College as at June 30, 1994 and the consolidated statements of operations and changes in fund balances, changes in equity in capital assets and reserves for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly the financial position of the College as at June 30, 1994 and the results of the operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the consolidated financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 24, 1994

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	1994	1993
ASSETS		
Cash and short-term deposits	\$ 3,155,003	\$ 8,538,222
Accounts receivable	522,381	549,670
Inventories (Note 4)	252,129	340,102
Investments (Note 5)	5,059,931	—
Prepaid expenses	102,023	73,793
Capital assets (Note 6)	51,226,719	52,233,081
	<u>\$60,318,186</u>	<u>\$61,734,868</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable	\$ 694,839	\$ 708,485
Deferred revenue (Note 7)	254,809	440,717
Accrued vacation pay (Note 3(a))	372,711	411,379
Accrued pension liability (Note 8)	1,012,000	—
Funds held on behalf of others (Note 9)	375,858	339,691
Obligation under capital lease	5,194	67,522
	<u>2,715,411</u>	<u>1,967,794</u>
Equity in capital assets	51,221,525	52,165,559
Fund balances		
Unrestricted (Note 10)	(838,131)	(152,468)
Capital	189,607	367,703
Restricted (Note 11)	1,207,381	1,188,658
	<u>558,857</u>	<u>1,403,893</u>
Reserves	5,822,393	6,197,622
	<u>6,381,250</u>	<u>7,601,515</u>
	<u>\$60,318,186</u>	<u>\$61,734,868</u>

The accompanying notes are part of
these consolidated financial statements.

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994					1993
	Unrestricted		Capital	Restricted	Total	Total
	Budget	Actual				
Revenue						
Grants, Province of Alberta (Note 12)	\$12,546,586	\$12,310,418	\$ 429,200	\$ —	\$12,739,618	\$13,225,014
Tuition and related fees	2,946,918	2,773,945	—	—	2,773,945	2,723,414
Continuing education	1,782,820	1,217,369	—	—	1,217,369	1,300,278
Investment income	180,000	185,679	12,850	52,690	251,219	227,388
Investment income, reserves	—	210,861	23,077	—	233,938	303,626
Donations	—	—	—	424,155	424,155	209,494
Ancillary services (Note 13)	1,754,625	1,808,553	—	—	1,808,553	1,815,748
Proceeds from disposal of capital assets	—	—	4,554	—	4,554	4,508
Other	31,600	159,393	—	—	159,393	333,196
	<u>19,242,549</u>	<u>18,666,218</u>	<u>469,681</u>	<u>476,845</u>	<u>19,612,744</u>	<u>20,142,666</u>
Expenditure						
Instruction	11,075,803	10,233,221	—	—	10,233,221	10,518,567
Academic support	1,950,711	1,823,353	—	—	1,823,353	1,854,366
Student services	1,431,883	1,511,874	—	—	1,511,874	1,470,711
Institutional support	2,697,398	2,807,364	310,391	—	3,117,755	3,269,753
Ancillary services (Note 13)	1,640,474	1,665,098	—	—	1,665,098	1,736,250
Scholarships and bursaries	—	29,432	—	120,425	149,857	145,100
Computing services	531,301	402,079	—	—	402,079	431,815
Capital lease financing charges	—	—	—	—	—	31,510
Acquisition of capital assets	223,000	221,000	712,772	—	933,772	1,477,204
	<u>19,550,570</u>	<u>18,693,421</u>	<u>1,023,163</u>	<u>120,425</u>	<u>19,837,009</u>	<u>20,935,276</u>
Excess (deficiency) of revenue over expenditure	(308,021)	(27,203)	(553,482)	356,420	(224,265)	(792,610)
Inter-fund transfers	—	12,398	325,299	(337,697)	—	—
Reserves						
Returned to fund balances from Board designated endowments	308,021	308,021	—	—	308,021	275,000
Returned to fund balances from other reserves	—	343,362	160,137	—	503,499	816,811
Appropriated from fund balances to other reserves	—	(326,241)	(110,050)	—	(436,291)	(238,742)
Changes in fund balances for the year	—	310,337	(178,096)	18,723	150,964	60,459
Fund balances at beginning of year as previously reported	—	258,911	367,703	1,188,658	1,815,272	1,684,434
Changes in accounting policy (Note 3):						
Vacation pay	—	(411,379)	—	—	(411,379)	(341,000)
Pension liability	—	(996,000)	—	—	(996,000)	—
Fund balances at beginning of year as restated	—	(1,148,468)	367,703	1,188,658	407,893	1,343,434
Fund balances at end of year	<u>\$ —</u>	<u>\$ (838,131)</u>	<u>\$ 189,607</u>	<u>\$ 1,207,381</u>	<u>\$ 558,857</u>	<u>\$ 1,403,893</u>

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$52,165,559	\$51,891,935
Add: Acquisition of capital assets	933,772	1,477,204
	<u>53,099,331</u>	<u>53,369,139</u>
Deduct: Cost of capital assets written off (Notes 6(b) and (c))	1,790,923	796,298
Cost of capital asset disposals	86,883	407,282
	<u>1,877,806</u>	<u>1,203,580</u>
Balance at end of year	<u>\$51,221,525</u>	<u>\$52,165,559</u>

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Add Appropriated From Fund Balance	Deduct Returned to Fund Balance	Balance at End of Year
Board designated endowments				
Scholarships	\$ 685,172	\$ —	\$ —	\$ 685,172
Tuition waiver	570,976	—	—	570,976
Training and development	852,840	—	—	852,840
Board research project	213,210	—	—	213,210
Institutional development	1,694,486	—	308,021	1,386,465
	<u>4,016,684</u>	<u>—</u>	<u>308,021</u>	<u>3,708,663</u>
Operating				
Scholarships	94,001	41,323	46,737	88,587
Tuition waiver	36,750	43,775	48,050	32,475
Training and development	56,602	47,854	39,623	64,833
Board research project	31,845	11,963	16,674	27,134
Institutional development	114,349	80,124	35,045	159,428
Drama productions	933	—	933	—
Fitness centre	13,002	427	11,701	1,728
Retirement and settlement	39,835	12,050	39,835	12,050
International education	8,115	—	30	8,085
Foundation office	37,642	—	7,727	29,915
Outstanding commitments	97,007	88,725	97,007	88,725
Student housing furniture replacement	797,677	—	—	797,677
	<u>1,327,758</u>	<u>326,241</u>	<u>343,362</u>	<u>1,310,637</u>
Capital				
Cultural centre equipment	137,953	7,122	30,108	114,967
Water reservoir	279,791	15,956	3,811	291,936
Renovations and repairs	107,670	5,616	13,098	100,188
Duplicating equipment replacement	79,858	64,879	—	144,737
Site maintenance	131,583	—	9,745	121,838
Library automation project	52,300	—	39,350	12,950
Outstanding commitments	64,025	16,477	64,025	16,477
	<u>853,180</u>	<u>110,050</u>	<u>160,137</u>	<u>803,093</u>
	<u>\$6,197,622</u>	<u>\$ 436,291</u>	<u>\$ 811,520</u>	<u>\$5,822,393</u>

MEDICINE HAT COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Purpose

Medicine Hat College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College provides broadly based educational and training programs and services to students and communities of southeastern Alberta.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for not-profit organizations but does recommend that the policy that is followed be disclosed.

(b) Consolidated Statements

These consolidated financial statements include the accounts of the Medicine Hat College Foundation, which operates under part 9 of the Companies Act of Alberta, for the support and advancement of the College.

(c) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary educational and support activities of the College. This Fund also includes ancillary revenues and expenditures associated with the provision of goods and services by the campus bookstore, cafeteria, student residence and student lounge.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the capital assets of the College.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal is to be held intact.

(d) Revenue and Other Contributions

Revenue for provision of goods and services is recognized in the period in which the goods are provided or the services rendered.

Unrestricted contributions are recognized in the period received or receivable.

Project specific grants are recognized as revenue based on the percentage of project completion.

Endowment contributions, gifts of capital assets in-kind, and other restricted contributions are recognized as revenue of the restricted fund when received or receivable.

Capital grants from the Province of Alberta, and other contributions for capital asset acquisitions are recognized as revenue of the Capital Fund in the year received or receivable.

Cash donations are recorded in the year received. Donations of materials and services are not recorded unless such materials and services would normally be purchased by the College.

(e) Inter-fund Transfers

Policies have been established to transfer amounts between funds to achieve the financial objectives of the College, subject to activities or objectives specified by donors and other sources outside the College.

(f) Investments

Investments are recorded at cost or amortized cost. Amortization of discount or premium is on a straight-line basis over the life of the investment.

Gains and losses on investments are recognized on sale, or when there is a permanent impairment in the value of an investment.

(g) Inventories

Inventories of merchandise and supplies are valued at the lower of cost and net realizable value.

(h) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets, unless financed by capital leases. No amortization is recorded.

Land is recorded at assessed values at the time titles were transferred to the College from the City of Medicine Hat, except for donated land which is recorded at fair market value.

Buildings and renovations are recorded at June 30, 1989 amortized replacement cost as determined by an independent appraisal, with subsequent additions at cost.

Site improvements are recorded at January 1, 1983 replacement cost as determined by an independent appraisal, with subsequent additions at cost.

Furnishings and equipment are recorded at cost except for items acquired prior to July 1, 1984 which are recorded at estimated cost as determined by the College. Donated assets are recorded at fair market value.

Library acquisitions are recorded at cost and are comprised of books, audio visual software and periodicals.

(i) Reserves

The Board of Governors appropriates amounts from fund balances to provide for specific requirements in subsequent fiscal years. These amounts are returned to fund balances when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

(j) Deferred Revenue

The unearned portion of grants and amounts received for programs commencing in the next fiscal year are recorded as deferred revenue.

(k) Pension

Pension costs comprise the cost of pension obligations earned by employees during the year and interest on the portion of unfunded pension liabilities which the College has agreed to fund.

(l) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policy

(a) Vacation Pay

The College, along with all other colleges and technical institutes, has changed its method of recording vacation pay. Previously, vacation entitlements earned but not taken were not recorded. Vacation pay is now accrued in the period in which it is incurred. This change has been applied retroactively and has had the effect of decreasing expenditure by \$38,668 (1993 \$70,379 increase) and increasing accrued vacation pay by \$372,711 (1993 \$411,379).

(b) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expenditure by \$16,000 and recognizing a pension liability of \$1,012,000.

Note 4 Inventories

Inventories are summarized as follows:

	1994	1993
Bookstore	\$232,994	\$318,070
Cafeteria	17,013	20,127
Lounge	2,122	1,905
	<u>\$252,129</u>	<u>\$340,102</u>

Note 5 Investments

Investments are summarized as follows:

	1994	1993
Bonds	\$3,357,594	\$ —
Discount coupons	430,274	—
Callable residuals	423,288	—
Mortgages	848,775	—
	<u>\$5,059,931</u>	<u>\$ —</u>
Market value	<u>\$4,716,819</u>	<u>\$ —</u>

Note 6 Capital Assets

(a) Capital assets are summarized as follows:

	1994			1993
	<u>Appraisal</u>	<u>Cost</u>	<u>Total</u>	<u>Total</u>
Land	\$ 1,560,000	\$ —	\$ 1,560,000	\$ 1,560,000
Buildings and renovations	27,917,705	5,906,445	33,824,150	33,814,446
Site improvements	5,799,976	322,336	6,122,312	6,122,312
Furnishings and equipment	—	6,995,466	6,995,466	7,671,338
Library acquisitions	—	2,533,263	2,533,263	2,360,038
Systems planning and development	—	191,528	191,528	157,154
Construction in progress	—	—	—	547,793
	<u>\$35,277,681</u>	<u>\$15,949,038</u>	<u>\$51,226,719</u>	<u>\$52,233,081</u>

(b) Construction in progress (Phase II - Medicine Hat Campus Conceptual Design) was written off in the amount of \$547,793.

(c) This year the College increased its capitalization criteria from \$500 to \$1,000. This resulted in asset write downs of \$1,243,130.

(d) During the year donations in-kind amounting to \$273,982 were capitalized.

Note 7 Deferred Revenue

Deferred revenue is summarized as follows:

	1994	1993
Tuition fees and rentals	\$199,727	\$238,977
Continuing education	54,302	94,440
Capital grant	—	107,300
Other	780	—
	<u>\$254,809</u>	<u>\$440,717</u>

Note 8 Pension Liability

The College and its employees participate in the Local Authorities Pension Plan which provides pensions for College employees based on length of service and earnings. The Pension Plan is administered by the Local Authorities Pension Plan Board. The Board receives contributions from the Province of Alberta and from employees and employers who participate in the plan, and invests these funds. Contributions and investment income, less benefits paid, are referred to as net assets available for pension benefits. The difference between the present value of benefits to be paid and the value of net assets held determines whether net assets are sufficient to meet pension obligations or whether an unfunded pension liability exists.

An actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994, has determined that an unfunded pension liability exists for the Local Authorities Pension Plan.

During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liability to be funded by employers. The College's portion of the employers' liability at June 30, 1994 is \$1,012,000, calculated on the basis of the College's pensionable payroll as a percentage of the total pensionable payroll of all employers.

Note 9 Funds Held on Behalf of Others

Funds held on behalf of others are summarized as follows:

	1994	1993
Medicine Hat College Students' Association	\$273,376	\$253,705
Further Education Council Fund	84,265	84,816
Medicine Hat College Rattlers Booster Club	—	1,170
SRB Users' Group	8,773	—
North West Adult Education Association	8,815	—
Alberta Centre for Regional Education	629	—
	<u>\$375,858</u>	<u>\$339,691</u>

Note 10 Unrestricted Fund

During the year, the College changed its accounting policy to incorporate the request of the Provincial Treasurer that the College record an unfunded pension obligation as an employer. The College also changed its accounting policy to record accrued vacation pay. Previously, these costs were recorded when paid (Note 3). The changes result in the following adjustments to the unrestricted fund balance at June 30, 1994.

Unrestricted fund (unadjusted)	\$ 546,580
Adjustments:	
Accrued vacation pay	(372,711)
Accrued pension liability	(1,012,000)
Unrestricted fund (adjusted)	<u>\$ (838,131)</u>

The purpose of the changes is to record existing liabilities and to allocate costs to periods in which the related services were delivered. The College is not changing its operations or financing activities. Vacation entitlements will be paid when employee vacations are taken. Contributions to the pension liability will be made in accordance with the requirements of the Public Sector Pension Plans Act.

Note 11 Restricted Funds

Restricted funds are summarized as follows:

	Balance at Beginning of Year	Add Revenue	Deduct Expenditure and Transfers	Balance at End of Year
Endowment funds				
Principal	\$ 903,136	\$ 28,285	\$ —	\$ 931,421
Expendable	285,522	448,560	458,122	275,960
	<u>\$1,188,658</u>	<u>\$ 476,845</u>	<u>\$ 458,122</u>	<u>\$1,207,381</u>

Note 12 Grants, Province of Alberta

Grants from the Province of Alberta are summarized as follows:

	<u>1994</u>	<u>1993</u>
Operating		
Base	\$11,784,417	\$11,933,586
Adult development programs	488,140	618,696
Matching	—	2,000
Program development	37,861	16,140
	<u>12,310,418</u>	<u>12,570,422</u>
Capital		
Furniture and equipment replacement	250,000	316,568
Renovations and maintenance	179,200	227,524
Matching	—	5,900
	<u>429,200</u>	<u>549,992</u>
Restricted		
Matching	—	104,600
	<u>\$12,739,618</u>	<u>\$13,225,014</u>

Note 13 Ancillary Services

Ancillary services revenue and expenditure are summarized as follows:

	<u>1994</u>	<u>1993</u>
Revenue		
Bookstore	\$ 970,043	\$ 954,449
Cafeteria	443,697	472,481
Student residence	376,005	366,031
Student lounge	18,808	22,787
	<u>\$1,808,553</u>	<u>\$1,815,748</u>
Expenditure		
Bookstore	\$ 921,296	\$ 914,475
Cafeteria	438,495	468,460
Student residence	277,022	320,328
Student lounge	28,285	32,987
	<u>\$1,665,098</u>	<u>\$1,736,250</u>

Note 14 Expenditure by Object

Unrestricted fund expenditures are summarized by object of expenditure as follows:

	<u>1994</u>	<u>1993</u>
Salaries, wages, and benefits (Note 15)	\$14,361,315	\$14,665,699
Supplies, services, and resale goods	2,749,902	2,819,694
Travel, and professional development	536,595	649,299
Utilities, taxes, and insurance	447,155	455,291
Advertising, and public relations	191,293	214,841
Acquisition of capital assets	221,000	355,143
Other	186,161	177,601
	<u>\$18,693,421</u>	<u>\$19,337,568</u>

BOARD-GOVERNED INSTITUTIONS

Note 15 Salaries and Benefits

Salaries and benefits are summarized by individual position and compensation groups on a full-time equivalent (FTE) basis as follows:

	1994				1993	
	Full-time Equivalents	Salaries ⁽¹⁾	Benefits ⁽²⁾	Total	Full-time Equivalents	Total
Chairman of Board		\$ 2,105	\$ 2	\$ 2,107		\$ 3,161
Board members		14,598	45	14,643		27,361
		<u>16,703</u>	<u>47</u>	<u>16,750</u>		<u>30,522</u>
President	1.0	112,338	37,580	149,918	1.0	150,105
Vice-President Academic	1.0	87,087	11,158	98,245	1.0	97,447
Director of Finance and Administrative Services	1.0	80,650	11,589	92,239	1.0	91,516
Director of Student Services	1.0	71,856	10,089	81,945	1.0	81,898
Dean of Community Education and Program Development	1.0	71,856	10,079	81,935	1.0	81,374
Full-time staff:						
Deans (average 1994 \$73,151, 1993 \$70,568)	7.0	445,943	66,116	512,059	7.0	493,976
Excluded managers (average 1994 \$56,266, 1993 \$56,183)	9.0	435,651	70,744	506,395	9.6	539,356
Excluded staff (average 1994 \$42,823, 1993 \$40,978)	17.2	621,867	114,695	736,562	17.6	721,215
Faculty (average 1994 \$58,348, 1993 \$57,246)	106.9	5,447,770	789,672	6,237,442	106.0	6,068,066
Support staff (average 1994 \$28,994, 1993 \$29,422)	93.3	2,272,808	432,309	2,705,117	93.8	2,759,806
Extension staff (Continuing Education/Outreach) (average 1994 \$34,901, 1993 \$35,325)	13.8	445,664	35,964	481,628	12.2	430,967
Part-time and casual wage staff		2,332,672	162,056	2,494,728		2,742,784
Faculty on sabbatical ⁽³⁾	3.5	159,272	29,748	189,020	6.0	306,288
Changes in accrued vacation pay		—	(38,668)	(38,668)		70,379
Changes in pension liability		—	16,000	16,000		—
		<u>12,585,434</u>	<u>1,759,131</u>	<u>14,344,565</u>		<u>14,635,177</u>
TOTAL SALARIES AND BENEFITS (Note 14)		<u>\$12,602,137</u>	<u>\$ 1,759,178</u>	<u>\$14,361,315</u>		<u>\$14,665,699</u>

(1) Salaries include regular base pay, honoraria, faculty overload payments, lump sum payments, overtime, and contract fees.

(2) Benefits include the employer's share of all employee benefits and contributions made on behalf of employees including sabbaticals and other special leave with pay, financial and retirement planning services and professional memberships. Benefits for President do not include personal use of College vehicle.

(3) Faculty on sabbatical receive 80% of their regular base pay.

Note 16 Medicine Hat College Foundation

The Medicine Hat College Foundation is a registered public foundation created to solicit, receive and administer funds and property donated for the advancement of Medicine Hat College. Transfers of funds and property to the College are recorded as expenditure by the Foundation.

Accordingly, the accounts of the organizations have been consolidated to reflect the financial position and results of operations of a single economic entity.

Revenue and expenditure of the Foundation for the years ended June 30 were as follows:

	1994	1993
Revenue	<u>\$468,334</u>	<u>\$229,603</u>
Expenditure:		
Gifts in-kind transferred to the College	\$391,345	\$159,494
Other	<u>65,129</u>	<u>2,358</u>
	<u>\$456,474</u>	<u>\$161,852</u>

Note 17 Budget

The 1993-94 budget was approved by the Board of Governors of the College on January 19, 1993.

Note 18 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 19 Approval of Financial Statements

These financial statements were approved by management.

MOUNT ROYAL COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Operations and Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Notes to the Financial Statements
Schedule of Unrestricted Revenue and Expenditure by Common Classification

AUDITOR'S REPORT

To the Board of Governors of
Mount Royal College

I have audited the statement of financial position of Mount Royal College as at June 30, 1994 and the statements of operations and changes in fund balances, changes in equity in capital assets and reserves for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The College's statement of financial position discloses that the unrestricted fund had an operating surplus of \$252,558 at June 30, 1994 and \$236,748 at June 30, 1993 and deficits arising from the accrual of vacation pay, contractual leave and pension liabilities. In my opinion, this presentation is inappropriate as it implies that the liabilities relating to vacation pay, contractual leaves and pension were not incurred in the normal course of operations.

In my opinion, except for the disclosure of the unrestricted fund balance as described in the preceding paragraph, these financial statements present fairly the financial position of the College as at June 30, 1994 and the result of the operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 12, 1994

MOUNT ROYAL COLLEGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	1994	1993
ASSETS		
Cash and short-term investments	\$ 8,915,736	\$ 7,719,880
Accounts receivable	1,500,001	1,930,692
Investments (market value \$5,506,333) (1993 \$5,498,772))	5,230,451	4,882,021
Inventories (Note 4)	828,300	586,576
Prepaid expenses and deferred charges (Note 3(a))	222,632	307,733
Capital assets (Note 5)	<u>129,254,059</u>	<u>129,346,265</u>
	<u>\$145,951,179</u>	<u>\$144,773,167</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Accounts payable	\$ 2,578,297	\$ 2,221,440
Deferred revenue (Note 6)	1,880,835	2,174,335
Capital lease obligation (Note 7)	1,583,457	1,915,433
Funds held on behalf of others (Note 8)	1,421,322	1,524,873
Four-for-five leave plan	192,600	331,100
Accrued vacation pay (Note 3(a))	1,649,479	1,838,832
Accrued retiring allowances (Note 9)	798,029	—
Accrued contractual leaves (Note 3(b))	342,450	273,948
Pension liability (Notes 3(c) and 10)	<u>3,084,000</u>	<u>—</u>
	<u>13,530,469</u>	<u>10,279,961</u>
Equity in capital assets	<u>127,670,602</u>	<u>127,430,832</u>
Fund balances:		
Unrestricted:		
Operating	252,558	236,748
Accrued vacation (Note 3(a))	(1,649,479)	(1,838,832)
Contractual leaves (Note 3(b))	(342,450)	(273,948)
Pension liability (Note 3(c))	<u>(3,084,000)</u>	<u>—</u>
	<u>(4,823,371)</u>	<u>(1,876,032)</u>
Capital	169,471	51,536
Restricted (Note 11)	<u>6,807,351</u>	<u>6,294,073</u>
	<u>2,153,451</u>	<u>4,469,577</u>
Reserves	<u>2,596,657</u>	<u>2,592,797</u>
	<u>4,750,108</u>	<u>7,062,374</u>
	<u>\$145,951,179</u>	<u>\$144,773,167</u>

The accompanying notes and schedule are part of these financial statements.

MOUNT ROYAL COLLEGE
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994				1993
	Unrestricted	Capital	Restricted	Total	Total
Revenue					
Grants (Note 12)	\$31,438,790	\$ 1,020,300	\$ —	\$32,459,090	\$33,106,541
Tuition and related fees	8,288,144	—	—	8,288,144	7,776,985
Community programs (Note 12)	9,139,547	—	—	9,139,547	8,612,683
Sales of goods and services	6,204,112	—	—	6,204,112	5,638,732
Donations	132,885	216,064	354,595	703,544	905,248
Investment income	443,424	11,543	459,387	914,354	805,560
Other	—	3,687	74,320	78,007	45,578
	<u>55,646,902</u>	<u>1,251,594</u>	<u>888,302</u>	<u>57,786,798</u>	<u>56,891,327</u>
Expenditure					
Instruction	23,978,325	—	—	23,978,325	23,212,850
Community programs	9,300,125	—	—	9,300,125	9,236,684
Academic services	5,509,382	—	—	5,509,382	5,552,718
Administration	7,388,311	—	123,132	7,511,443	7,479,462
Plant operation and maintenance	4,923,361	—	—	4,923,361	4,863,256
Cost of sales and services	2,736,652	—	—	2,736,652	2,764,908
Acquisition of capital assets	222,169	2,706,379	12,289	2,940,837	3,015,324
Scholarships	—	—	163,939	163,939	145,271
	<u>54,058,325</u>	<u>2,706,379</u>	<u>299,360</u>	<u>57,064,064</u>	<u>56,270,473</u>
Excess (deficiency) of revenue over expenditure	1,588,577	(1,454,785)	588,942	722,734	620,854
Inter-fund transfers	(1,497,056)	1,572,720	(75,664)	—	—
Reserves					
Returned to fund balance	775,310	—	—	775,310	1,254,134
Appropriated from fund balance	(779,170)	—	—	(779,170)	(1,436,336)
Changes in fund balances for the year	87,661	117,935	513,278	718,874	438,652
Fund balances at beginning of year, as restated (Note 3)	(4,911,032)	51,536	6,294,073	1,434,577	4,030,925
Fund balances at end of year	<u>\$ (4,823,371)</u>	<u>\$ 169,471</u>	<u>\$ 6,807,351</u>	<u>\$ 2,153,451</u>	<u>\$ 4,469,577</u>

MOUNT ROYAL COLLEGE
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	<u>\$127,430,832</u>	<u>\$125,923,574</u>
Add: Acquisition of capital assets:		
Purchases	2,193,120	2,155,413
Donations	64,413	172,898
Capital lease payments	683,304	687,013
	<u>2,940,837</u>	<u>3,015,324</u>
	<u>130,371,669</u>	<u>128,938,898</u>
Deduct: Disposal and write downs of capital assets (Note 5(c))	2,612,808	1,367,532
Interest portion of current year's capital lease payments (Note 5(d))	88,259	140,534
	<u>2,701,067</u>	<u>1,508,066</u>
Balance at end of year	<u>\$127,670,602</u>	<u>\$127,430,832</u>

MOUNT ROYAL COLLEGE
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Deduct Returned to Fund Balance	Add Appropriated from Fund Balance	Balance at End of Year
Academic program development	\$ 450,509	\$ 44,701	\$ 316,111	\$ 721,919
Campus development	44,846	189	101,855	146,512
College effectiveness	50,000	2,331	—	47,669
Community needs	33,707	4,868	—	28,839
Data base development	98,190	18,640	—	79,550
Deferred maintenance	425,000	285,017	—	139,983
Early retirement	159,137	60,772	—	98,365
Evaluation of institution	30,000	21,552	—	8,448
Institutional advancement	100,000	50,000	—	50,000
Professional development	101,933	19,646	—	82,287
Residence replacement	670,546	27,606	311,204	954,144
Scholarships and bursaries	76,300	1,000	50,000	125,300
Special projects	209,063	198,800	—	10,263
Student success/satisfaction study	143,566	40,188	—	103,378
	<u>\$2,592,797</u>	<u>\$ 775,310</u>	<u>\$ 779,170</u>	<u>\$2,596,657</u>

MOUNT ROYAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority

Mount Royal College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College's mission is to foster the success and satisfaction of students in the pursuit of their educational goals. The College is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from the payment of income tax.

Note 2 Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations, but does recommend that the policy that is followed be disclosed.

(b) Non-Consolidated Statements

These financial statements do not include the accounts of the Mount Royal College Foundation, which operates under part 9 of the Companies Act of Alberta, for the support and advancement of the College.

(c) Fund Accounting

The accounts of the College are maintained in accordance with the principles of accrual fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Unrestricted Fund accounts for the revenues and expenditures associated with the educational activities of the College including those activities associated with the bookstore, campus food service, student residence, and parking.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the majority of the capital assets of the College.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors or the Board have specified that the principal is to be held intact.

(d) Revenues and Other Contributions

Contributions restricted for purposes of scholarship or endowment are recognized as revenue in the period received or receivable.

Unrestricted contributions are recognized as revenue in the period received or receivable except for conditional grants which are recognized to the extent of related expenditures.

Revenue for provision of goods and services is recognized in the period in which the goods are provided or the services rendered.

Capital grants from the Province of Alberta, gifts of capital assets, and other contributions for capital asset acquisitions are recognized as revenue in the period received or receivable.

Donations are recognized as revenue in the period received. Donated materials and services are recorded at fair market value.

(e) Inventories

Inventories of merchandise and supplies are valued at the lower of cost or net realizable value.

(f) Investments

Investments are recorded at cost. Gains and losses on investments are recognized at liquidation or when there is a significant and permanent impairment in the value of an investment.

(g) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets, unless financed by capital lease. Donated assets are recorded at fair market value. No amortization is recorded.

(h) Reserves

The Board of Governors appropriates amounts from fund balances to provide for specific requirements in subsequent fiscal years. These amounts are returned to fund balances when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

(i) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College, transfers may be made between funds to achieve the financial objectives of the College.

(j) Pension

Pension costs comprise the cost of pension obligations earned by employees during the year and interest on the portion of unfunded pension liabilities which the College has agreed to fund.

(k) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policy

(a) Vacation Pay

The College, along with all other colleges and technical institutes, has changed its method of recording vacation pay. Previously, vacation entitlements earned but not taken were not recorded. Vacation pay is now accrued in the period in which it is incurred. This change has been applied retroactively and has had the effect of decreasing expense in 1994 by \$232,304 (increasing expense by \$582,643 in 1993), decreasing prepaid expenses and deferred charges by \$385,003 (1993 \$427,954), and recognizing a vacation pay liability of \$1,649,479 (1993 \$1,838,832).

(b) Contractual Leaves

The College has changed its method of recording contractual leave obligations. Contractual leaves are provided to academic administrators to provide them with assistance in re-integrating back into faculty at the end of their appointments. Previously, contractual leave entitlements earned but not taken were not recorded. This leave is now accrued in the period in which it is earned. This change has been applied retroactively. The change has had the effect of increasing expense by \$68,502 (1993 \$42,600) and recognizing a contractual leave liability of \$342,450 (1993 \$273,948).

(c) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expense by \$49,000 and recognizing a pension liability of \$3,084,000.

The effect of the above changes on fund balances at beginning of the year on the statement of operations and changes in fund balance is as follows:

	<u>1994</u>	<u>1993</u>
Unrestricted fund balance at beginning of year, as previously reported	\$ 664,702	\$ 580,766
Vacation pay	(2,266,786)	(1,684,143)
Contractual leave obligation	(273,948)	(231,348)
Pension liability	(3,035,000)	—
Unrestricted fund balance at beginning of year, as restated	<u>\$ (4,911,032)</u>	<u>\$ (1,334,725)</u>

Note 4 Inventories

Inventories are summarized as follows:

	<u>1994</u>	<u>1993</u>
Bookstore	\$637,530	\$380,925
Maintenance	87,464	122,123
Duplicating	56,996	51,398
General stores	44,477	29,968
Food services	1,833	2,162
	<u>\$828,300</u>	<u>\$586,576</u>

Note 5 Capital Assets

(a) Capital assets are summarized as follows:

	<u>1994</u>	<u>1993</u>
Land	\$ 3,614,256	\$ 3,614,256
Buildings	103,816,594	102,819,672
Furnishings and equipment	19,989,028	21,149,881
Library materials	1,551,841	1,480,116
Leasehold improvements	282,340	282,340
	<u>\$129,254,059</u>	<u>\$129,346,265</u>

(b) Capital acquisitions during the year included donations in kind in the amount of \$64,413 (1993 \$172,898).

(c) During the year the College increased its capitalization threshold from \$500 to \$1,000. This resulted in write downs of assets of \$1,889,868. Assets sold, scrapped or otherwise disposed of amounted to \$722,940.

(d) During the year, the College corrected a prior period error in the interest rate used to capitalize assets financed by a capital lease. The prior period has been restated and the correction has had the effect of increasing capital assets by \$178,003 (1993 \$178,003), increasing capital lease obligation by \$81,412 (1993 \$126,396) and increasing equity in capital assets by \$96,591 (1993 \$51,607).

Note 6 Deferred Revenue

Deferred revenue is summarized as follows:

	<u>1994</u>	<u>1993</u>
Credit and non-credit program tuition fees	\$1,867,067	\$1,900,920
Other	13,768	273,415
	<u>\$1,880,835</u>	<u>\$2,174,335</u>

Note 7 Capital Leases

The following is a schedule of future minimum annual lease payments:

1995	\$ 658,424
1996	381,203
1997	361,613
1998	189,396
1999	136,726
Total minimum lease payments	1,727,362
Less: Amount representing interest	143,905
Capital lease obligation	<u>\$1,583,457</u>

Note 8 Funds Held on Behalf of Others

Funds held on behalf of others are summarized as follows:

	1994	1993
Four-for-five leave plan, employees' contributions	\$ 653,429	\$ 773,032
Further Education Council	298,966	358,409
Professional development, faculty	222,514	185,788
Deferred salary leave plan	185,880	136,714
Other	60,533	70,930
	<u>\$1,421,322</u>	<u>\$1,524,873</u>

Note 9 Accrued Retiring Allowances

Effective June 30, 1994, a liability has been recorded to reflect confirmed retiring allowances as follows:

1995	\$279,584
1996	225,639
1997	<u>292,806</u>
	<u>\$798,029</u>

Note 10 Pension Liability

The College and its employees participate in the Local Authorities Pension Plan which provides pensions for College employees based on length of service and earnings. The Pension Plan is administered by the Local Authorities Pension Plan Board. The Board receives contributions from the Province of Alberta and from employees and employers who participate in the Plan, and invests these funds. Contributions and investment income, less benefits paid, are referred to as net assets available for pension benefits. The difference between the present value of benefits to be paid and the value of net assets held determines whether net assets are sufficient to meet pension obligations or whether an unfunded pension liability exists.

An actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994, has determined that an unfunded pension liability exists for the Local Authorities Pension Plan.

During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of unfunded pension liability to be funded by employers. The College's portion of the employers' liability at June 30, 1994 is \$3,084,000, calculated on the basis of the College's pensionable payroll as a percentage of the total pensionable payroll of all employers.

Note 11 Restricted Funds

Restricted funds transactions are summarized as follows:

	Balance at Beginning of Year	Add Revenue	Deduct Expenditure	Add (Deduct) Transfer	Balance at End of Year
Principal					
Academy and music	\$2,184,298	\$ 17,061	\$ —	\$ —	\$2,201,359
Capital asset acquisition	241,400	21,225	—	—	262,625
Cardiopulmonary resuscitation	250,100	—	—	—	250,100
Co-operative Education Program	592,000	—	—	—	592,000
City Centre Campus	278,933	85,000	—	—	363,933
Athletics	660,727	—	—	80,000	740,727
Scholarships	888,054	233,024	—	—	1,121,078
Transitional Vocational Program	189,040	2,804	—	—	191,844
	<u>5,284,552</u>	<u>359,114</u>	<u>—</u>	<u>80,000</u>	<u>5,723,666</u>
Expendable funds	<u>1,009,521</u>	<u>529,188</u>	<u>299,360</u>	<u>(155,664)</u>	<u>1,083,685</u>
	<u>\$6,294,073</u>	<u>\$ 888,302</u>	<u>\$ 299,360</u>	<u>\$ (75,664)</u>	<u>\$6,807,351</u>

Note 12 Grants

Grants are summarized as follows:

	<u>1994</u>	<u>1993</u>
Operating		
Department of Advanced Education and Career Development, Province of Alberta		
Base	\$29,382,832	\$28,236,338
Conditional	1,956,231	3,324,617
Other	99,727	137,326
	<u>31,438,790</u>	<u>31,698,281</u>
Capital		
Department of Advanced Education and Career Development, Province of Alberta	1,020,300	1,207,483
Other	—	10,000
	<u>1,020,300</u>	<u>1,217,483</u>
Restricted		
Department of Advanced Education and Career Development, Province of Alberta, Endowment matching	—	143,705
Other	—	47,072
	<u>—</u>	<u>190,777</u>
	<u>\$32,459,090</u>	<u>\$33,106,541</u>

Included in community programs revenue are the following grants from the Department of Advanced Education and Career Development:

	<u>1994</u>	<u>1993</u>
Operating base	\$597,821	\$595,241
Further education	55,635	57,588
	<u>\$653,456</u>	<u>\$652,829</u>

Note 13 Ancillary Services

Ancillary services activities which include bookstore, student housing and food services resulted in an excess of revenue over expenses of \$1,004,573 (1993 \$845,577).

Note 14 Unrestricted Fund Expense

Unrestricted fund expenses are summarized by object of expenditure as follows:

	<u>1994</u>	<u>1993</u>
Salaries, wages and benefits	\$41,208,502	\$41,050,814
Materials, supplies and services	7,639,125	7,004,456
Facility rental, utilities and maintenance	2,383,087	2,303,728
Travel and meeting	725,451	676,255
Capital assets	222,169	308,106
Others	1,879,991	1,820,210
	<u>\$54,058,325</u>	<u>\$53,163,569</u>

BOARD-GOVERNED INSTITUTIONS

Note 15 Salaries and Benefits

Salaries and benefits are summarized by individual position and compensation groups on a full-time equivalent (FTE) basis as follows:

	Full-time Equivalents ⁽¹⁾	Salary ⁽²⁾	Benefits ⁽³⁾	Total
1994				
Chairman	1	\$ 6,480	\$ 42	\$ 6,522
Board members	10	19,740	462	20,202
	<u>11</u>	<u>26,220</u>	<u>504</u>	<u>26,724</u>
President ⁽⁵⁾⁽⁶⁾	1	112,965	33,211	146,176
Vice-President, Academic ⁽⁶⁾	1	99,600	21,573	121,173
Vice-President, Administration ⁽⁶⁾	1	93,200	21,457	114,657
Assistant Vice-President, Academic	1	84,784	10,685	95,469
Management (average \$70,242)	53	3,157,200	565,633	3,722,833
Faculty ⁽⁴⁾ (average \$63,647)	201	10,790,381	2,002,764	12,793,145
Support staff ⁽⁴⁾ (average \$36,992)	344	10,966,036	1,759,045	12,725,081
Part-time and casual wage staff		8,658,384	881,050	9,539,434
Faculty on sabbatical leave	6	375,908	87,868	463,776
Change in accrued vacation pay		—	(232,304)	(232,304)
Change in accrued retiring allowances		—	1,643,338	1,643,338
Change in pension liability		—	49,000	49,000
	<u>608</u>	<u>34,338,458</u>	<u>6,843,320</u>	<u>41,181,778</u>
Total salaries and benefits (Note 14)	<u>619</u>	<u>\$34,364,678</u>	<u>\$ 6,843,824</u>	<u>\$41,208,502</u>
1993				
Chairman	1	\$ 7,200	\$ 43	\$ 7,243
Board members	10	25,800	430	26,230
	<u>11</u>	<u>33,000</u>	<u>473</u>	<u>33,473</u>
President ⁽⁵⁾⁽⁶⁾	1	112,965	34,411	147,376
Vice-President, Academic ⁽⁶⁾	1	98,400	20,757	119,157
Vice-President, Administration ⁽⁶⁾	1	92,000	20,532	112,532
Assistant Vice-President, Academic	1	84,259	10,301	94,560
Management (average \$70,803)	52	3,177,605	504,168	3,681,773
Faculty ⁽⁴⁾ (average \$62,957)	207	11,226,746	1,805,424	13,032,170
Support staff ⁽⁴⁾ (average \$38,165)	367	12,095,553	1,911,193	14,006,746
Part-time and casual wage staff		8,229,999	447,506	8,677,505
Management on sabbatical leave	1	36,967	7,874	44,841
Faculty on sabbatical leave	6	341,124	69,078	410,202
Change in accrued vacation pay		—	582,643	582,643
Change in accrued retiring allowances		—	107,836	107,836
	<u>637</u>	<u>35,495,618</u>	<u>5,521,723</u>	<u>41,017,341</u>
Total salaries and benefits (Note 14)	<u>648</u>	<u>\$35,528,618</u>	<u>\$ 5,522,196</u>	<u>\$41,050,814</u>

(1) Full-time equivalent is defined as 35 hours per week for support staff and 432 hours per year for faculty.

(2) Salary includes regular base pay, bonuses, overtime, lump sum payments, honoraria, research grants and any other direct cash remuneration.

(3) Employer's share of all employee benefits and contributions or payments made on behalf of employees including unemployment insurance, Canada Pension Plan, dental coverage, workers' compensation, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships, tuition, club memberships and sabbaticals. Benefits for the President and Vice-President do not include personal use of College vehicles.

(4) Both faculty and support staff have a place on the Board of Governors and their respective honorarium has been included in their total salary.

(5) The President has a place on the Board of Governors for which he receives no remuneration.

(6) The President's benefits include contractual leave amounts, earned but not paid in the year, which represents 58% of total benefits in 1994 (56% 1993), and for the Vice-President's 36% in 1994 (37% 1993).

Grant reductions for the final quarter of 1993-94 were absorbed by the College. Negotiated compensation reductions did not take effect until July 1, 1994.

Note 16 Related Party Transactions

The Mount Royal College Foundation is a registered charitable organization and restricts its activities principally for the support and advancement of Mount Royal College. Highlights of the Foundation's operations for the period ended June 30, 1994 are as follows:

	<u>1994</u>	<u>1993</u>
Balance Sheet		
Total assets	<u>\$130,775</u>	<u>\$ 62,803</u>
Total liabilities	<u>\$163,084</u>	<u>\$152,727</u>
Fund balances	<u>(32,309)</u>	<u>(89,924)</u>
	<u>\$130,775</u>	<u>\$ 62,803</u>
Statement of Operations		
Revenue		
Contributions from the College	\$154,428	\$195,757
Donations	287,736	120,012
Other	<u>27,424</u>	<u>683</u>
	<u>469,588</u>	<u>316,452</u>
Expenditure		
Donations transferred to the College	161,264	78,017
Other expenditures	<u>262,187</u>	<u>241,789</u>
	<u>423,451</u>	<u>319,806</u>
Excess (deficiency) of revenue over expenditure	<u>\$ 46,137</u>	<u>\$ (3,354)</u>

As at June 30, 1994 \$155,883 (1993 \$143,580) remained outstanding from the Foundation and is included in the College's accounts receivable.

Note 17 Operating Lease

The College leases a downtown campus with lease terms of up to ten years. The future minimum lease payments for each of the five succeeding fiscal years are as follows:

1995	\$378,252
1996	546,364
1997	546,364
1998	588,392
1999	588,392

Note 18 Budget

The 1994 budget was approved by the Board of Governors of the College on June 21, 1993.

Note 19 Schedule of Unrestricted Revenue and Expenditure by Common Classification

The colleges and technical institutes of Alberta agreed on a common format of classifying revenue and expenditure by type. Based on these classifications, the schedule is prepared to allow for comparisons among institutions.

Note 20 Comparative Figures

The 1993 comparative figures have been reclassified where necessary to conform to 1994 presentation.

Note 21 Approval of Financial Statements

These financial statements were approved by management.

Schedule 1

MOUNT ROYAL COLLEGE
SCHEDULE OF UNRESTRICTED REVENUE AND EXPENDITURE
BY COMMON CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 1994

	1994		1993
	Budget	Actual	Actual
	(Note 18)	(Note 19)	
Revenue			
Grants	\$32,022,659	\$31,438,790	\$31,698,281
Tuition and related fees	8,487,231	8,288,144	7,776,985
Community programs	9,082,561	9,139,547	8,612,683
Sales, rentals and services	6,366,611	6,204,112	5,638,732
Donations	114,110	132,885	126,453
Investment income	294,573	443,424	341,011
	<u>56,367,745</u>	<u>55,646,902</u>	<u>54,194,145</u>
Expenditure			
Instruction			
Credit	20,737,989	21,112,991	20,580,505
Non-credit	6,113,549	5,267,900	5,142,006
	<u>26,851,538</u>	<u>26,380,891</u>	<u>25,722,511</u>
Academic Support			
Libraries and A/V services	2,025,427	2,014,418	2,026,543
Academic administration	4,904,209	4,682,347	4,673,230
Course and curriculum development	791,470	759,348	594,322
	<u>7,721,106</u>	<u>7,456,113</u>	<u>7,294,095</u>
Student Service			
Student service administration	594,095	571,803	644,707
Recruiting admissions and records	1,840,845	1,832,757	1,778,257
Counselling and career development	651,501	651,267	654,125
Athletics, social and cultural	753,223	804,286	692,735
Financial aid administration	114,594	118,623	129,168
	<u>3,954,258</u>	<u>3,978,736</u>	<u>3,898,992</u>
Institutional Support			
Executive management	1,427,912	1,180,610	1,150,294
General administration	4,179,922	4,124,838	4,091,648
Physical plant	5,111,505	4,936,064	4,752,697
Public relations and development	506,643	479,476	423,422
	<u>11,225,982</u>	<u>10,720,988</u>	<u>10,418,061</u>
Ancillary			
Food services	104,511	97,378	105,034
Bookstore	3,103,316	2,947,225	2,952,194
Parking operations	166,395	137,186	167,787
Student residences	716,966	686,673	710,920
Community services	2,012	7,057	16,345
	<u>4,093,200</u>	<u>3,875,519</u>	<u>3,952,280</u>
Computing			
Computing services	1,584,688	1,425,308	1,521,932
Capital			
Capital	47,475	220,770	355,698
	<u>55,478,247</u>	<u>54,058,325</u>	<u>53,163,569</u>
Excess of revenue over expenditure	889,497	1,588,577	1,030,576
Inter-fund transfers	(889,497)	(1,497,056)	(1,389,681)
Reserve activity			
Returned to fund balance	—	775,310	1,254,134
Appropriated from fund balance	—	(779,170)	(1,436,336)
Change in fund balance for the year	<u>\$ —</u>	<u>\$ 87,661</u>	<u>\$ (541,307)</u>

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Notes to the Financial Statements
Schedule of Restricted Funds

AUDITOR'S REPORT

To the Board of Governors of the Northern
Alberta Institute of Technology

I have audited the statement of financial position of the Northern Alberta Institute of Technology as at June 30, 1994 and the statements of changes in fund balances, changes in equity in capital assets and reserves for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Institute's financial statements disclose that the operating fund had a surplus from Board mandated activity at the beginning and end of year amounting to \$2,640,000 and \$2,602,000 respectively. These amounts do not include the effect of pension liability and vacation pay accruals. In my opinion, this presentation is inappropriate as it implies that the liabilities relating to pension and vacation pay were not incurred in the normal course of operations.

In my opinion, except for the disclosure of the operating fund balance as described in the preceding paragraph, these financial statements present fairly the financial position of the Institute as at June 30, 1994 and the results of operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 21, 1994

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994
(thousands of dollars)

	<u>1994</u>	<u>1993</u>
ASSETS		
Deposits and treasury bills	\$ 13,690	\$ 11,345
Accounts receivable and accrued interest	2,266	2,687
Prepaid expenses	334	277
Inventories (Note 4)	2,317	2,583
Investments (Note 5)	11,699	19,500
Restricted funds deposits and investments	14,837	5,833
Capital assets (Note 6)	<u>223,658</u>	<u>231,079</u>
	<u>\$268,801</u>	<u>\$273,304</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Bank overdraft	\$ 1,059	\$ 752
Accounts payable	7,413	7,795
Deferred revenue (Note 7)	1,603	2,023
Accrued vacation pay	7,144	7,260
Funds held on behalf of others (Note 8)	2,287	2,485
Pension liability (Note 13)	7,996	—
	<u>27,502</u>	<u>20,315</u>
Equity in capital assets	<u>223,658</u>	<u>231,079</u>
Contributed surplus (Note 9)	—	1,850
Fund balances:		
Operating - arising from:		
Board mandated activity	2,602	2,640
Vacation pay accrual	(7,144)	(7,260)
Pension liability accrual	(7,996)	—
Net operating deficit	<u>(12,538)</u>	<u>(4,620)</u>
Capital	<u>5,133</u>	<u>4,893</u>
Restricted:		
Donor designated:		
Expendable	3,793	2,949
Endowments	3,334	2,884
Board designated	<u>7,710</u>	<u>—</u>
	<u>14,837</u>	<u>5,833</u>
	<u>7,432</u>	<u>6,106</u>
Reserves	<u>10,209</u>	<u>13,954</u>
	<u>17,641</u>	<u>20,060</u>
	<u>\$268,801</u>	<u>\$273,304</u>

The accompanying notes and schedule
are part of these financial statements.

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994
(thousands of dollars)

	1994							1993
	Operating Fund							
	Arising from Board Mandated Activity		Arising from Liability Accruals		Ancillary Services	Capital	Restricted	Total
	Budget	Actual	Vacation	Pension				Total
Revenue								
Grants - Province of Alberta	\$ 74,769	\$ 73,844	\$ —	\$ —	\$ —	\$ 2,240	\$ —	\$ 76,084
Extension and community education	9,114	9,775	—	—	—	—	—	9,775
Tuition fees	6,420	6,390	—	—	—	—	—	6,390
Investment income	1,400	1,609	—	—	—	395	1,001	3,005
Donations - Northern Alberta Institute of Technology Foundation	—	1	—	—	—	262	1,098	1,361
Ancillary revenues (Note 10)	—	—	—	—	7,487	—	—	7,487
Sales, rentals and services	994	1,154	—	—	—	—	—	1,154
Proceeds from disposal of capital assets	—	—	—	—	—	97	—	97
Donations of capital assets	—	—	—	—	—	241	—	241
	<u>92,697</u>	<u>92,773</u>	<u>—</u>	<u>—</u>	<u>7,487</u>	<u>3,235</u>	<u>2,099</u>	<u>105,594</u>
Expenditure (Note 15)								
Instruction	51,126	50,871	(116)	130	—	—	—	50,885
Academic support	15,762	15,600	—	—	—	—	—	15,600
Student services	3,902	3,829	—	—	—	—	—	3,829
Institutional Support	19,378	18,820	—	—	—	—	108	18,928
Ancillary services (Note 10)	—	—	—	—	6,487	—	—	6,487
Computing services	2,714	2,377	—	—	—	—	—	2,377
Acquisition of capital assets	—	1,181	—	—	—	2,495	—	3,676
Scholarships and bursaries	—	—	—	—	—	—	215	215
	<u>92,882</u>	<u>92,678</u>	<u>(116)</u>	<u>130</u>	<u>6,487</u>	<u>2,495</u>	<u>323</u>	<u>101,997</u>
Excess of revenue over expenditure	\$ (185)	95	116	(130)	1,000	740	1,776	3,597
Interfund transfers	—	(5,728)	—	—	(1,000)	(500)	7,228	—
Transfer from contributed surplus (Note 9)	—	1,850	—	—	—	—	—	1,850
Reserves:								
Returned to fund balances	—	6,440	—	—	—	500	—	6,940
Appropriated from fund balances	—	(2,695)	—	—	—	(500)	—	(3,195)
Change in fund balances for the year	—	(38)	116	(130)	—	240	9,004	9,192
Fund balances at beginning of year, as previously reported	—	2,640	—	—	—	4,893	5,833	13,366
Change in accounting policy (Note 3)	—	(7,260)	(7,260)	(7,866)	—	—	—	(15,126)
Fund balances at end of year	<u>\$ 2,602</u>	<u>\$ (7,144)</u>	<u>\$ (7,996)</u>	<u>\$ (7,996)</u>	<u>\$ —</u>	<u>\$ 5,133</u>	<u>\$ 14,837</u>	<u>\$ 7,432</u>

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994
(thousands of dollars)

	1994	1993
Balance at beginning of year	\$231,079	\$229,425
Add: Acquisition of capital assets	3,676	5,915
	<u>234,755</u>	<u>235,340</u>
Deduct: Change in capitalization threshold	8,809	—
Disposal of capital assets	2,288	1,649
Adjustment arising from physical count	—	1,412
Allowance for obsolete assets	—	1,200
	<u>11,097</u>	<u>4,261</u>
Balance at end of year	<u>\$223,658</u>	<u>\$231,079</u>

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994
(thousands of dollars)

	Balance at Beginning of Year	Deduct Returned to Fund Balances	Add Appropriated from Fund Balances	Balance at End of Year
Operating				
Provision for early retirements and position abolishment	\$ 500	\$ —	\$ —	\$ 500
Committed expenditure	640	640	700	700
Investment contingency	35	—	244	279
Roadways and easements	200	—	—	200
Equipment and software replacement:				
Relational database software	—	—	250	250
Computers	2,853	900	699	2,652
Radiographic imaging	206	—	—	206
Photocopiers	311	219	148	240
Instructional equipment	500	—	—	500
Facilities upgrade:				
Classroom modification	400	204	204	400
Parking lot surfacing	272	—	—	272
Physical plant mechanical and electrical systems	500	—	—	500
Parking area maintenance	1,760	—	450	2,210
Apprenticeship space rationalization	2,527	2,527	—	—
Institute expansion plan	1,500	1,500	—	—
Bookstore expansion	450	450	—	—
Expansion of parking lot	300	—	—	300
	<u>12,954</u>	<u>6,440</u>	<u>2,695</u>	<u>9,209</u>
Capital				
Institute expansion plan	500	500	—	—
Equipment replacement	500	—	500	1,000
	<u>1,000</u>	<u>500</u>	<u>500</u>	<u>1,000</u>
	<u>\$13,954</u>	<u>\$ 6,940</u>	<u>\$ 3,195</u>	<u>\$10,209</u>

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority

The Northern Alberta Institute of Technology operates under the authority of the Technical Institutes Act, Chapter T-3.1, Statutes of Alberta 1981.

Note 2 Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that:

- (i) Capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.
- (ii) Vacation pay and pension liabilities are shown as separate components of the operating fund balance.

(b) Fund Accounting

The accounts of the Institute are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary educational activities of the Institute and with the provision of goods and services to the Institute community.
- The Ancillary Services Fund accounts for revenue producing activities that are supplementary to the fundamental educational activities of the Institute and are normally self-sustaining.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the majority of the capital assets of the Institute.
- The Restricted Fund, which is governed by externally applied conditions and, where applicable, Board designated purposes, accounts for expendable donations for which donors have determined the purpose, endowments for which donors have determined that the principal is to be maintained intact, and Board designated funds which the Board of Governors has set aside for specific purposes.

(c) Inventories

Inventories of merchandise and supplies are valued at the lower of cost and net realizable value.

(d) Investments

Investments are recorded at cost or amortized cost. Amortization of discount or premium is on a straight-line basis over the life of the investment. Gains or losses on sales of investments are recognized in the year of sale.

(e) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. Acquisitions of assets with a cost greater than \$1,000 are then capitalized with an offsetting entry to equity in capital assets. No amortization is recorded.

Land transferred from the Province of Alberta on April 1, 1982 is recorded at April 1982 fair market value and buildings transferred are recorded at April 1982 amortized replacement cost, as determined by an independent appraisal. Subsequent additions are recorded at cost.

Furnishings and equipment transferred from the Province are recorded at original cost, with subsequent additions at cost, except for donated assets which are recorded at fair market value.

Land, buildings, furnishings and equipment transferred to the Institute from the Westerra Institute of Technology on July 11, 1990 are recorded at original cost to the Province as at March 31, 1982 plus subsequent additions at cost.

(f) Donated Materials and Services

Donated materials and services other than capital assets are not reflected in these financial statements.

(g) Deferred Revenue

The unearned portion of grants and amounts received for programs commencing in the next fiscal year are recorded as deferred revenue.

(h) Pension Expense and Liability

The cost of pension obligations earned by employees during the year, and interest on the portion of unfunded liabilities which the Institute is now required to fund, are recorded as expenditure for the year. The portion of unfunded pension liabilities which the Institute is now required to fund is recorded as liability.

(i) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policy

(a) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the Institute's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments have not been determined.

As a result of the change, operating fund and total expenditure for the current year have increased by \$130,000. The pension liability at June 30, 1994 increased by \$7,996,000.

(b) Vacation Pay

The Institute has changed its method of recording the liability for earned but unpaid vacation. Previously, vacation entitlements earned but not taken were not recorded. The liability for vacation pay is now accrued in the period in which it is incurred. This change has been applied retroactively and has the effect of (decreasing) increasing expenditure by \$(116,000) (1993 \$334,000) and increasing accrued vacation pay by \$7,144,000 (1993 \$7,260,000). Accrued vacation pay at July 1, 1992 was \$6,926,000.

Note 4 Inventories

Inventories are summarized as follows:

	1994	1993
	(thousands of dollars)	
Bookstore	\$ 946	\$1,176
Industrial	382	376
Health sciences	370	379
General stores	261	284
Maintenance	166	171
Engineering	132	131
Business	60	66
	<u>\$2,317</u>	<u>\$2,583</u>

Note 5 Investments

Investments are summarized as follows:

	1994		1993	
	Cost	Market Value	Cost	Market Value
	(thousands of dollars)			
Government of Canada bonds	\$ 3,585	\$ 3,085	\$ 5,133	\$ 5,007
Corporate bonds	1,884	1,677	3,092	3,146
Mortgage backed securities	3,180	3,101	8,225	8,440
Guaranteed investment certificates	3,000	3,000	3,000	3,000
Other	50	59	50	50
	<u>\$11,699</u>	<u>\$10,922</u>	<u>\$19,500</u>	<u>\$19,643</u>

Note 6 Capital Assets

Capital assets are summarized as follows:

	1994		1993	
	Appraisal	Cost	Total	Total
	(thousands of dollars)			
Land	\$ 24,287	\$ 6,213	\$ 30,500	\$ 30,500
Buildings	103,503	40,777	144,280	143,621
Projects in progress	—	456	456	289
Furnishings and equipment	—	48,422	48,422	56,669
	<u>\$127,790</u>	<u>\$ 95,868</u>	<u>\$223,658</u>	<u>\$231,079</u>

Note 7 Deferred Revenue

Deferred revenue is summarized as follows:

	1994	1993
	(thousands of dollars)	
Grants	\$ —	\$ 560
Tuition fees	1,603	1,463
	<u>\$1,603</u>	<u>\$2,023</u>

Note 8 Funds Held on Behalf of Others

Funds held on behalf of others are summarized as follows:

	1994	1993
	(thousands of dollars)	
Four-for-five leave plan	\$1,951	\$1,947
Northern Alberta Institute of Technology Foundation	336	538
	<u>\$2,287</u>	<u>\$2,485</u>

Note 9 Contributed Surplus

During the year, by Board resolution, contributed surplus was transferred to the Operating Fund.

Note 10 Ancillary Services

Ancillary services revenue and expenditure are summarized as follows:

	<u>1994</u>	<u>1993</u>
	(thousands of dollars)	
Revenue		
Bookstore	\$4,580	\$4,398
Food services	2,031	2,112
Parking	876	862
	<u>\$7,487</u>	<u>\$7,372</u>
Expenditure		
Bookstore	\$4,196	\$3,903
Food services	1,989	2,197
Parking	302	386
	<u>\$6,487</u>	<u>\$6,486</u>

Note 11 Commitments

Leases

The following is a schedule of future minimum payments at June 30, 1994 under operating leases:

	(thousands of dollars)
1994-95	\$390
1995-96	276
1996-97	175
Beyond 1997	—
	<u>\$841</u>

Note 12 Related Party

The Northern Alberta Institute of Technology Foundation is a registered public foundation created to solicit, receive and administer donations for the advancement of the Northern Alberta Institute of Technology. The Institute held \$336,000 (1993 \$538,000) on behalf of the Foundation.

During the year, the following transactions took place between the Institute and the Foundation:

	<u>1994</u>	<u>1993</u>
	(thousands of dollars)	
Operating grants paid to the Foundation	<u>\$ 308</u>	<u>\$ 290</u>
Transfers from the Foundation:		
Operating	\$ 1	\$ 9
Capital		
Donations	262	234
Equipment donations	241	353
Restricted	<u>1,098</u>	<u>832</u>
	<u>\$1,602</u>	<u>\$1,428</u>

Note 13 Pension Liability

The Institute participates with other employers in two defined benefit pension plans. The Local Authorities Pension Plan and the Management Employees Pension Plan provide pensions for the Institute's employees based on length of service and earnings.

The Institute's unfunded pension liability as at June 30, 1994 is as follows:

	(thousands of dollars)
Local Authorities Pension Plan	\$7,258
Management Employees Pension Plan	738
	<u>\$7,996</u>

The total amount of unfunded pension liabilities from these plans was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993 the Legislature passed the Public Sector Pension Plans Act which determined the amount of unfunded pension liability to be funded by employers. The Institute's portion of that liability was calculated based on the Institute's percentage of the total pensionable payroll of all employers.

Note 14 Contingent Liabilities

The Institute is a defendant in a number of legal proceedings. Claims against the Institute in these proceedings have not been reflected in these financial statements. While the outcome of these proceedings cannot be predicted at this time, it is the opinion of management that the resolution of these claims will not have a material effect on the financial position of the Institute. The cost of settling these claims, if any, will be charged to operations upon settlement.

Note 15 Operating and Ancillary Expenditure

Operating and ancillary expenditure by type is summarized as follows:

	Operating	Ancillary	Total
	(thousands of dollars)		
Salaries and benefits	\$76,129	\$ 1,643	\$77,772
Supplies and services	9,088	4,769	13,857
Utilities and taxes	3,132	3	3,135
Repairs and maintenance	2,153	70	2,223
Acquisition of capital assets	1,181	—	1,181
Travel and advertising	1,009	2	1,011
	<u>\$92,692</u>	<u>\$ 6,487</u>	<u>\$99,179</u>

Note 16 Salary Disclosure

	1994				1993	
	FTE	Salary ⁽¹⁾⁽⁶⁾	Benefits and Allowances ⁽²⁾	Total	FTE	Total
	(thousands of dollars)					
Board Chairman ⁽³⁾	—	\$ 5	\$ —	\$ 5	—	\$ 5
Board members	—	30	—	30	—	39
	—	35	—	35	—	44
President ⁽⁴⁾	1	126	15	141	1	139
Vice President - Administration	1	97	13	110	1	110
Vice President - Academic	1	91	13	104	1	104
Vice President - Student Services	1	94	12	106	1	102
Executive Director	1	85	11	96	1	88 ⁽⁵⁾
Management, professional and technical (average 1994 \$64,812, 1993 \$64,491)	112	6,265	994	7,259	110	7,094
Faculty (average 1994 \$59,234, 1993 \$58,992)	757	38,752	6,088	44,840	760	44,834
Administrative support (average 1994 \$36,840, 1993 \$35,821)	500	15,669	2,751	18,420	515	18,448
Part-time and casual	84	2,189	492	2,681	83	2,760
Contract instructors	—	2,755	194	2,949	—	3,380
Severance	—	1,019	12	1,031	—	137
	<u>1,458</u>	<u>67,142</u>	<u>10,595</u>	<u>77,737</u>	<u>1,473</u>	<u>77,196</u>
		<u>\$67,177</u>	<u>\$10,595</u>	<u>\$77,772</u>		<u>\$77,240</u>

(1) Salaries and benefits are summarized by individual position and compensation groups on a full-time equivalent (FTE) basis.

(2) Benefits and allowances include the Institute's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans and professional memberships required for employment.

(3) Effective April 1, 1994, honoraria for all Board members was discontinued. Honorarium paid to the Board Chairman was donated by the Chairman to the NAIT Foundation.

(4) The President has been provided with an automobile by the Institute for which no amount is included in the benefits and allowances.

(5) These figures reflect the 11 month period during which the Executive Director position was filled.

(6) Effective July 1, 1994 management and excluded staff accepted a salary and wage rollback of 5%. Faculty and support staff accepted a 4.9% rollback.

Note 17 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

Note 18 Approval of Financial Statements

These financial statements were approved by the Board of Governors.

NORTHERN ALBERTA INSTITUTE OF TECHNOLOGY
SCHEDULE OF RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 1994
(thousands of dollars)

	Balance at Beginning of Year	Add Contributions and Interest	Deduct Expenditure	Inter- fund Transfer	Balance at End of Year
EXPENDABLE					
Scholarships					
Principal	\$ 82	\$ 101	\$ 128	\$ 34	\$ 89
Medical health complex					
Principal	2,433	578	—	—	3,011
Interest	434	259	—	—	693
	<u>2,949</u>	<u>938</u>	<u>128</u>	<u>34</u>	<u>3,793</u>
ENDOWMENTS					
General					
Principal	1,305	99	—	—	1,404
Interest	91	114	108	—	97
Scholarships and bursaries					
Principal	997	320	—	2	1,319
Interest	124	99	87	(1)	135
Staff development					
Principal	183	—	—	5	188
Interest	15	17	—	(13)	19
Business conference					
Principal	116	—	—	-	116
Interest	15	10	—	(10)	15
Continuing education					
Principal	27	—	—	—	27
Interest	11	3	—	—	14
	<u>2,884</u>	<u>662</u>	<u>195</u>	<u>(17)</u>	<u>3,334</u>
Board designated for Institute expansion	—	499	—	7,211	7,710
	<u>\$ 5,833</u>	<u>\$ 2,099</u>	<u>\$ 323</u>	<u>\$ 7,228</u>	<u>\$14,837</u>

OLDS COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Statement of Restricted Funds
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
Olds College

I have audited the statement of financial position of Olds College as at June 30, 1994 and the statements of changes in fund balances, changes in equity in capital assets, reserves and restricted funds for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly the financial position of the College as at June 30, 1994 and the results of its operations and the changes in financial position for the year ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
September 23, 1994

OLDS COLLEGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

	<u>Operating</u>	<u>Capital</u>	<u>Restricted</u>	<u>Total 1994</u>	<u>Total 1993</u>
ASSETS					
Cash and short-term investments	\$ 1,509,902	\$ 1,238,898	\$ 2,560,654	\$ 5,309,454	\$ 4,910,579
Accounts receivable	889,012	4,286	7,972	901,270	1,099,207
Inventories (Note 4)	1,000,201	—	—	1,000,201	1,012,581
Portfolio investments - market value \$1,930,000 (1993 \$2,116,000)	—	—	2,064,116	2,064,116	2,058,383
Capital assets (Note 5)	—	64,705,499	—	64,705,499	63,561,514
	<u>\$ 3,399,115</u>	<u>\$65,948,683</u>	<u>\$ 4,632,742</u>	<u>\$73,980,540</u>	<u>\$72,642,264</u>

LIABILITIES, EQUITY AND FUND BALANCES

Accounts payable	\$ 1,086,228	\$ 20,744	\$ 125,123	\$ 1,232,095	\$ 945,156
Deferred revenue	546,273	168,364	—	714,637	502,608
Long-term debt (Note 6)	—	25,000	—	25,000	25,000
Funds held on behalf of others (Note 7)	—	—	789,355	789,355	666,962
Accrued vacation pay (Notes 3 and 8)	992,630	—	—	992,630	1,043,108
Pension liability (Notes 3 and 9)	1,127,000	—	—	1,127,000	—
	<u>3,752,131</u>	<u>214,108</u>	<u>914,478</u>	<u>4,880,717</u>	<u>3,182,834</u>
Equity in capital assets	—	64,680,499	—	64,680,499	63,536,514
Fund balances	(1,235,407)	1,054,076	3,718,264	3,536,933	3,748,471
Reserves (Note 3)	882,391	—	—	882,391	2,174,445
	<u>(353,016)</u>	<u>1,054,076</u>	<u>3,718,264</u>	<u>4,419,324</u>	<u>5,922,916</u>
	<u>\$ 3,399,115</u>	<u>\$65,948,683</u>	<u>\$ 4,632,742</u>	<u>\$73,980,540</u>	<u>\$72,642,264</u>

The accompanying notes are part
of these financial statements.

OLDS COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994					1993
	Operating		Capital	Restricted	Total	Total
	Budget	Actual				
REVENUE						
Grants, Province of Alberta (Note 10)	\$12,753,306	\$12,814,991	\$ 487,354	\$ —	\$13,302,345	\$13,708,800
Other revenue (Note 11)	2,601,190	2,620,698	29,492	80,439	2,730,629	2,625,491
Continuing education	1,569,382	1,367,346	—	—	1,367,346	1,706,261
Tuition fees	960,671	1,019,033	—	—	1,019,033	859,548
Ancillary services - bookstore sales	383,000	444,600	—	—	444,600	405,217
Donations	—	6,646	21,207	391,192	419,045	434,583
Investment income	150,000	148,386	62,062	193,965	404,413	455,725
International projects	107,900	395,347	—	—	395,347	312,989
Proceeds from disposal of capital assets	—	—	50,977	—	50,977	53,722
	<u>18,525,449</u>	<u>18,817,047</u>	<u>651,092</u>	<u>665,596</u>	<u>20,133,735</u>	<u>20,562,336</u>
EXPENDITURE						
Instruction	8,342,398	8,086,711	—	172,923	8,259,634	8,185,578
Support services	4,876,887	5,564,449	—	—	5,564,449	4,892,098
Student affairs	2,019,439	1,692,433	—	92,581	1,785,014	1,878,058
Continuing education	1,464,929	1,618,775	—	53,515	1,672,290	2,169,107
Acquisition of capital assets	—	—	1,307,934	60,576	1,368,510	1,093,366
Financial management	729,640	573,572	—	—	573,572	648,311
International projects	142,900	442,296	—	—	442,296	426,927
Ancillary services - bookstore costs	382,175	426,852	—	—	426,852	403,305
Board and president	302,668	344,013	—	—	344,013	421,068
Unallocated restricted fund expenditures	—	—	—	59,455	59,455	69,082
Minor capital purchases	—	—	30,651	1,591	32,242	97,026
	<u>18,261,036</u>	<u>18,749,101</u>	<u>1,338,585</u>	<u>440,641</u>	<u>20,528,327</u>	<u>20,283,926</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ 264,413</u>	<u>67,946</u>	<u>(687,493)</u>	<u>224,955</u>	<u>(394,592)</u>	<u>278,410</u>
Inter-fund transfers	—	(431,135)	451,135	(20,000)	—	—
Reserves:						
Returned to fund balance	—	1,316,410	—	—	1,316,410	215,391
Appropriated from fund balance	—	(24,356)	—	—	(24,356)	(227,131)
CHANGES IN FUND BALANCES FOR THE YEAR	—	<u>928,865</u>	<u>(236,358)</u>	<u>204,955</u>	<u>897,462</u>	<u>266,670</u>
FUND BALANCES AT BEGINNING OF YEAR, as previously reported	—	(12,164)	1,290,434	3,513,309	4,791,579	4,467,892
Accrued vacation pay (Note 3)	—	(1,043,108)	—	—	(1,043,108)	(986,091)
Pension liability (Note 3)	—	(1,109,000)	—	—	(1,109,000)	—
FUND BALANCES AT BEGINNING OF YEAR, as restated	—	<u>(2,164,272)</u>	<u>1,290,434</u>	<u>3,513,309</u>	<u>2,639,471</u>	<u>3,481,801</u>
FUND BALANCES AT END OF YEAR	—	<u><u>\$(1,235,407)</u></u>	<u><u>\$ 1,054,076</u></u>	<u><u>\$ 3,718,264</u></u>	<u><u>\$ 3,536,933</u></u>	<u><u>\$ 3,748,471</u></u>

OLDS COLLEGE
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	<u>\$63,536,514</u>	<u>\$63,160,980</u>
Add: Purchase of capital assets	1,354,661	1,518,673
Donated capital assets	13,849	1,620
	<u>1,368,510</u>	<u>1,520,293</u>
Deduct: Disposals of capital assets	224,525	1,144,759
Net increase in equity	<u>1,143,985</u>	<u>375,534</u>
Balance at end of year	<u><u>\$64,680,499</u></u>	<u><u>\$63,536,514</u></u>

OLDS COLLEGE
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Deduct: Returned to Fund Balance	Add: Appropriated from Fund Balance	Balance at End of Year
Farm income stabilization	\$ 274,600	\$ 6,671	\$ —	\$ 267,929
Aqua centre (Note 14)	149,861	—	—	149,861
Special purpose (Note 3)	131,092	—	6,292	137,384
Departmental projects	152,945	26,767	—	126,178
Staff development	107,263	—	18,064	125,327
Program development	81,968	7,373	—	74,595
Beef enterprise	1,117	—	—	1,117
Livestock replacement	881,918	881,918	—	—
Program rationale	228,681	228,681	—	—
Supplementary income stabilization	100,000	100,000	—	—
Capital asset system	25,000	25,000	—	—
Management information system	20,000	20,000	—	—
Marketing research	20,000	20,000	—	—
	<u>\$2,174,445</u>	<u>\$1,316,410</u>	<u>\$ 24,356</u>	<u>\$ 882,391</u>

OLDS COLLEGE
STATEMENT OF RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Revenue	Expenditure	Inter-fund Transfers	Balance at End of Year
Endowment funds:					
Principal	\$2,583,708	\$ 47,119	\$ —	\$ —	\$2,630,827
Expendable	391,793	165,682	68,216	6,299	495,558
	<u>2,975,501</u>	<u>212,801</u>	<u>68,216</u>	<u>6,299</u>	<u>3,126,385</u>
Foundation projects	537,808	452,795	372,425	(26,299)	591,879
	<u>\$3,513,309</u>	<u>\$ 665,596</u>	<u>\$ 440,641</u>	<u>\$ (20,000)</u>	<u>\$3,718,264</u>

OLDS COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority

Olds College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended.

The College is a public institution preparing primarily Albertans for business management, production and technical careers in agriculture, horticulture and land management. In addition to granting diplomas and certificates, the College offers other programs in a variety of formats for the learning needs of the greater community.

The College is a registered charity and therefore, under section 149 of the Income Tax Act, is exempt from payment of income tax.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary activities of the College, including those activities associated with the bookstore, residences and food services, farm operations and other services provided to the College community.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition and disposal of the capital assets of the College except those acquired specifically from restricted funds.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal is to be held intact.

(c) Inter-fund Transfers

Within the activities or objectives specified by donors and other sources outside the College, policies have been established to transfer amounts between funds to achieve the financial objectives of the College.

(d) Reserves

The Board of Governors appropriates amounts from fund balances for specific requirements in subsequent fiscal years. These amounts are returned to fund balances when the expenditures for which the appropriation was made are incurred, or as directed by the Board.

(e) Portfolio Investments

Portfolio investments are recorded at cost or amortized cost where applicable. Amortization of premiums and discounts are calculated on a straight-line basis from acquisition date to maturity date.

(f) Inventories

Inventory of bookstore merchandise is valued at the lower of cost and net realizable value. Livestock is valued at net realizable value. Operating supplies are expensed as purchased.

(g) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition. The acquisitions are then capitalized with an offsetting entry to equity in capital assets. No amortization is recorded.

Land and certain buildings and renovations were transferred to the College by the Department of Public Works, Supply and Services for a nominal amount of \$1. Land is recorded at April 1978 fair market value and buildings and renovations and certain library materials are recorded at April 1978 depreciated replacement cost as determined by an independent appraisal. Acquisitions of capital assets since April 1, 1978 are recorded at cost, except for donated capital assets which are recorded at fair market value.

The Province of Alberta has been granted an option to purchase the whole or any part of the transferred land, buildings, and renovations for \$1 per purchase.

Capital fund expenditures that do not conform to the College's capitalization criteria are recorded as minor capital purchases.

(h) Revenue Recognition

Revenue for provision of goods or services is recognized when the goods or services are provided. Grants, including capital and other restricted grants, are recognized as revenue in the fiscal year for which the funding was intended. Donations, including endowments, are recognized as revenue when received. Donations of supplies are recorded at fair market value.

(i) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policies

(a) Accrued Vacation Pay

In prior years, vacation entitlements earned but not taken were not recorded. During the year, the College changed its accounting policy to record vacation pay in the period in which it is earned. This change has been applied retroactively with restatement of prior years' amounts. The change has had the effect of decreasing (increasing) expenses by \$50,478 (1993 \$57,017) and increasing accrued vacation pay by \$992,630 (1993 \$1,043,108).

(b) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of decreasing the operating fund balance at the beginning of the year by \$1,109,000, increasing current year operating fund expense by \$18,000, and recognizing a pension liability of \$1,127,000 at June 30, 1994.

(c) Reserves

In prior years, the revenue for certain programs and projects was recognized when received and the unexpended amount was appropriated from the fund balance to a special purpose reserve. During the year, the College changed its accounting policy to match the revenue and expenditure and to defer the unmatched amount. This change has been applied retroactively with restatement of prior years' amounts. The change has had the effect of increasing deferred revenue by \$519,503 (1993 \$142,502) and decreasing (increasing) revenue by \$377,001 (1993 \$90,802).

Note 4 Inventories

	<u>1994</u>	<u>1993</u>
Livestock	\$ 884,223	\$ 881,918
Bookstore merchandise	115,978	130,663
	<u>\$1,000,201</u>	<u>\$1,012,581</u>

Note 5 Capital Assets

	<u>1994</u>	<u>1993</u>
Land and site improvements	\$ 2,456,708	\$ 2,372,626
Buildings and renovations	48,821,723	48,013,745
Furnishings and equipment	13,427,068	13,175,143
	<u>\$64,705,499</u>	<u>\$63,561,514</u>

Note 6 Long-Term Debt

The College partially financed construction of a processing facility by an interest free loan of \$90,000. The loan was partially repaid in five annual instalments of \$13,000. The final payment of \$25,000 is due on termination of a renewable contract expiring in September 1997.

Note 7 Funds Held on Behalf of Others

	<u>1994</u>	<u>1993</u>
Big Country Educational Consortium	\$377,109	\$278,068
Four-for-Five Program	267,604	268,668
Students Association	61,011	48,026
Others	83,631	72,200
	<u>\$789,355</u>	<u>\$666,962</u>

Note 8 Accrued Vacation Pay

	<u>1994</u>	<u>1993</u>
Faculty	\$ 586,945	\$ 632,950
Other staff	405,685	410,158
	<u>\$ 992,630</u>	<u>\$1,043,108</u>

Note 9 Pension Liability

The College participates with other employers in a defined benefit pension plan. The Local Authorities Pension Plan provides pensions for the College's employees based on length of service and earnings.

The total amount of unfunded pension liabilities from this plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liabilities which will be funded by employers. The College's portion of the employers' liability was calculated based on the College's percentage of the total pensionable payroll of all employers. The College's unfunded pension liability for the plan as at June 30, 1994 is \$1,127,000.

Note 10 Grants, Province of Alberta

	1994	1993
Operating		
Base	\$12,312,766	\$12,468,625
Supplementary funding	241,993	245,056
Special	260,232	319,719
	<u>12,814,991</u>	<u>13,033,400</u>
Capital		
General	467,232	562,900
Special	20,122	—
	<u>487,354</u>	<u>562,900</u>
Restricted		
Matching endowment principal	—	90,184
Matching endowment expendable	—	22,316
	<u>—</u>	<u>112,500</u>
	<u>\$13,302,345</u>	<u>\$13,708,800</u>

Note 11 Other Revenue

	1994	1993
Operating		
Farm	\$1,315,652	\$1,163,706
Residence	820,167	845,746
Meat sales	131,368	113,374
Commissions	106,363	99,576
Greenhouse and other rentals	99,575	88,330
Administration fees	39,858	39,848
Sundry	107,715	175,775
	<u>2,620,698</u>	<u>2,526,355</u>
Capital		
Rentals	29,492	22,428
Restricted		
Farm	52,954	67,622
Sundry	27,485	9,086
	<u>80,439</u>	<u>76,708</u>
	<u>\$2,730,629</u>	<u>\$2,625,491</u>

Note 12 Salaries and Benefits

	1994				1993	
	Full-time Equivalent	Salary ^(a)	Benefits and Allowances ^(b)	Total	Full-time Equivalent	Total
Chairman of the Board	1.0	\$ 7,269	\$ —	\$ 7,269	1.0	\$ 10,030
Board members	10.0	13,844	—	13,844	9.0	19,425
President ^(c, d)	1.0	94,585	15,323	109,908	1.0	110,563
Vice-President, Academic ^(c, e)	0.0	21,641	11,329	32,970	1.0	101,429
Vice-President, Student and Support Services ^(c, f)	1.0	79,297	13,344	92,641	0.0	—
Director of Finance and Administration ^(c, f)	0.0	37,604	2,312	39,916	1.0	84,534
Dean, Student Services ^(f)	0.0	—	—	—	1.0	83,199
Dean, Animal Science ^(e)	1.0	80,728	10,877	91,605	1.0	84,531
Dean, Business and Academic	1.0	68,140	9,893	78,033	1.0	78,605
Dean, Trades and Technologies	1.0	67,807	9,868	77,675	1.0	78,699
Dean, Land Sciences Centre	1.0	69,463	9,997	79,460	1.0	78,981
Dean, Continuing Education	1.0	74,609	—	74,609	0.0	—
Instructional staff (average 1994 \$61,861, 1993 \$58,884)	82.0	4,432,180	640,428	5,072,608	85.0	5,005,107
Support staff (average 1994 \$35,017, 1993 \$34,409)	109.0	3,199,928	616,888	3,816,816	114.0	3,922,672
Other managers and staff ^(d) (average 1994 \$53,511, 1993 \$48,151)	34.0	1,540,291	239,179	1,779,470	36.5	1,709,843
Part-time and casual staff		1,950,478	112,137	2,062,615		2,082,252
Other payroll costs ^(g)		—	923,540	923,540		33,784
	<u>243.0</u>	<u>\$11,737,864</u>	<u>\$ 2,615,115</u>	<u>\$14,352,979</u>	<u>253.5</u>	<u>\$13,483,654</u>

- (a) Salary includes regular base pay, overtime, lump sum payments, honoraria, vacation payouts and other direct cash remuneration.
- (b) Benefits and allowances include the employer's share of all employee benefits including pension, health care, dental and vision coverage, group life, Canada pension, unemployment insurance premiums and professional memberships.
- (c) Benefits and allowances also include an administration allowance
- (d) Rental housing provided, no amount included in benefits and allowances for President and Farm Manager.
- (e) For all of fiscal 1994, the Vice-President, Academic was away on the 4-for-5 leave plan. During this time, the Dean, Animal Sciences was Acting Vice-President, Academic.
- (f) Positions of Director, Finance and Administration and Dean, Student Services were abolished effective July 1993 and their responsibilities were combined into the position of Vice-President, Student and Support Services.
- (g) Other costs include payments made in respect to the voluntary severance incentive program, Workers' Compensation Board premiums, and the changes in accrued vacation pay and pension liability.
- (h) Effective April 1, 1994 management instructional staff and support staff rolled their salaries back by 5.2%.

Note 13 Related Party Transactions

The Olds College Foundation is a charitable organization whose purpose is to obtain donations on behalf of the College. The Foundation, however, retains administrative control over donated funds. The College had the following transactions with the Foundation:

	<u>1994</u>	<u>1993</u>
Funding obtained by Olds College Foundation		
Endowment funds	\$ 47,119	\$ 58,340
Foundation projects with specific restrictions		
Operating	249,898	218,827
Capital	63,170	106,176
Other	59,300	52,134
	<u>372,368</u>	<u>377,137</u>
	<u>\$419,487</u>	<u>\$435,477</u>
Funding provided to Olds College Foundation		
Operating expenditures	\$ 89,774	\$ 79,926

Note 14 Commitment

The College has pledged \$150,000, as well as land and services, in support of constructing a swimming pool on the campus for use by the College and the community.

Note 15 Budget

The budget was approved by the Board of Governors on June 17, 1993.

Note 16 Comparative Figures

The 1993 comparative figures have been reclassified where necessary to conform to 1994 presentation.

Note 17 Approval of Financial Statements

These financial statements have been approved by the Board of Governors.

PUBLIC COLLEGES FOUNDATION OF ALBERTA
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report

Balance Sheet

Statement of Revenue, Expenditure and Accumulated Excess of Revenue over Expenditure

Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Trustees of the
Public Colleges Foundation of Alberta

I have audited the balance sheet of the Public Colleges Foundation of Alberta as at March 31, 1995 and the statement of revenue, expenditure and accumulated excess of revenue over expenditure for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 30, 1995

PUBLIC COLLEGES FOUNDATION OF ALBERTA
BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Cash	\$11,306	\$17,482
Accounts receivable	804	—
Interest receivable	210	—
	<u>\$12,320</u>	<u>\$17,482</u>

LIABILITIES AND ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE

Accounts payable	\$ —	\$ 4,139
Deferred revenue	—	4,358
Accumulated excess of revenue over expenditure	12,320	8,985
	<u>\$12,320</u>	<u>\$17,482</u>

The accompanying notes are part
of these financial statements.

PUBLIC COLLEGES FOUNDATION OF ALBERTA
STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED EXCESS OF
REVENUE OVER EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
REVENUE		
Contributions from public colleges	\$ 4,358	\$17,438
Interest	210	—
	<u>4,568</u>	<u>17,438</u>
EXPENDITURE		
Advertising	1,163	5,972
Trustee honoraria and expenses	70	2,214
Legal fees	—	267
	<u>1,233</u>	<u>8,453</u>
Excess of revenue over expenditure	3,335	8,985
Accumulated excess of revenue over expenditure at beginning of year	8,985	—
Accumulated excess of revenue over expenditure at end of year	<u>\$12,320</u>	<u>\$ 8,985</u>

PUBLIC COLLEGES FOUNDATION OF ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority

The Public Colleges Foundation of Alberta operates under the authority of the Advanced Education Foundations Act, Chapter A-2.5, Statutes of Alberta 1991, as amended.

The Foundation receives gifts and donations as an agent of the Crown in right of Alberta and provides grants to public colleges.

The Foundation is exempt from payment of income taxes.

Note 2 Significant Accounting Policies

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Administration Costs

Certain salary and other costs incurred by Keyano College and Olds College in the administration of the Foundation are not reflected in these financial statements.

Note 4 Comparative Figures

Certain 1994 comparative figures have been reclassified to conform to 1995 presentation.

Note 5 Approval of Financial Statements

These financial statements were approved by the Presiding Officer.

RED DEER COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report
Statement of Financial Position
Statement of Operations and Changes in Fund Balances
Statement of Changes in Equity in Capital Assets
Statement of Reserves
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
Red Deer College

I have audited the statement of financial position of Red Deer College as at June 30, 1994 and the statements of operations and changes in fund balances, changes in equity in capital assets and reserves for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
October 21, 1994

RED DEER COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 1994

	1994	1993
ASSETS		
Accounts receivable	\$ 1,443,275	\$ 1,639,785
Investments (Note 4)	11,576,225	9,048,451
Inventories	435,853	573,965
Prepaid expenses	132,920	127,365
Capital assets (Note 5)	70,625,217	70,041,741
	<u>\$84,213,490</u>	<u>\$81,431,307</u>
LIABILITIES, EQUITY AND FUND BALANCES		
Bank indebtedness	\$ 466,512	\$ 21,235
Accounts payable	1,317,580	1,047,212
Accrued vacation pay (Note 3(a))	1,755,840	1,817,875
Deferred revenue (Note 6)	1,205,243	1,186,830
Funds held on behalf of others (Note 7)	406,962	358,180
Long-term debt (Note 8)	745,282	780,227
Pension liability (Notes 3(b) and 9)	1,687,000	—
	<u>7,584,419</u>	<u>5,211,559</u>
Equity in capital assets	<u>69,886,052</u>	<u>69,271,121</u>
Fund balances		
Operating (Note 3)	(3,349,191)	(160,927)
Capital	4,729,101	1,968,877
Restricted (Note 10)	3,995,629	4,056,876
	<u>5,375,539</u>	<u>5,864,826</u>
Reserves	1,367,480	1,083,801
	<u>6,743,019</u>	<u>6,948,627</u>
	<u>\$84,213,490</u>	<u>\$81,431,307</u>

The accompanying notes are part
of these financial statements.

RED DEER COLLEGE
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1994

	1994					1993
	Operating		Capital	Restricted	Total	Total
	Budget	Actual				
Revenue						
Grants:						
Province of Alberta (Note 11)	\$20,101,500	\$19,848,375	\$ 724,600	\$ —	\$20,572,975	\$21,070,526
Other	—	—	125,000	—	125,000	—
Educational contracts	1,638,700	1,682,478	—	—	1,682,478	2,222,059
Tuition fees	5,779,000	5,865,576	100,357	—	5,965,933	5,714,785
Sales, rentals and services	676,300	528,426	19,010	—	547,436	575,813
Donations	—	—	—	505,479	505,479	585,008
Investment income	200,000	200,000	398,132	293,486	891,618	982,909
Ancillary services (Note 14)	5,211,400	4,969,676	—	—	4,969,676	4,856,222
Recovery of disputed construction costs	—	—	400,000	—	400,000	—
	<u>33,606,900</u>	<u>33,094,531</u>	<u>1,767,099</u>	<u>798,965</u>	<u>35,660,595</u>	<u>36,007,322</u>
Expenditure						
Instruction	16,978,855	16,616,169	—	—	16,616,169	17,040,514
Academic support	1,992,015	1,826,673	—	—	1,826,673	1,882,659
Student services	2,898,220	2,976,945	—	—	2,976,945	2,803,492
Institutional support	6,040,603	5,740,667	244,040	—	5,984,707	7,135,284
Computing	838,307	875,105	—	—	875,105	746,833
Ancillary services (Note 14)	4,858,900	4,447,260	—	—	4,447,260	4,386,618
Acquisition of capital assets	—	—	1,254,866	—	1,254,866	1,146,359
Other	—	—	—	224,478	224,478	194,029
	<u>33,606,900</u>	<u>32,482,819</u>	<u>1,498,906</u>	<u>224,478</u>	<u>34,206,203</u>	<u>35,335,788</u>
Excess of revenue over expenditure	<u>\$ —</u>	<u>611,712</u>	<u>268,193</u>	<u>574,487</u>	<u>1,454,392</u>	<u>671,534</u>
Inter-fund transfers	—	(1,853,829)	2,489,563	(635,734)	—	—
Reserves						
Returned to fund balance		119,310	10,219	—	129,529	111,705
Appropriated from fund balance		(405,457)	(7,751)	—	(413,208)	(323,208)
Changes in fund balances for the year		<u>(1,528,264)</u>	<u>2,760,224</u>	<u>(61,247)</u>	<u>1,170,713</u>	<u>460,031</u>
Fund balances at beginning of year, as restated (Note 3)		<u>(1,820,927)</u>	<u>1,968,877</u>	<u>4,056,876</u>	<u>4,204,826</u>	<u>5,404,795</u>
Fund balances at end of year		<u><u>\$ (3,349,191)</u></u>	<u><u>\$ 4,729,101</u></u>	<u><u>\$ 3,995,629</u></u>	<u><u>\$ 5,375,539</u></u>	<u><u>\$ 5,864,826</u></u>

RED DEER COLLEGE
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 1994

	1994	1993
Balance at beginning of year	\$69,271,121	\$68,469,967
Add: Acquisition of capital assets:		
Capital Fund	1,254,866	1,146,359
Ancillary services	5,171	4,913
Increase in equity from reduction of long-term debt	31,455	29,291
	<u>70,562,613</u>	<u>69,650,530</u>
Deduct: Cost of capital asset disposals and write offs	<u>676,561</u>	<u>379,409</u>
Balance at end of year	<u><u>\$69,886,052</u></u>	<u><u>\$69,271,121</u></u>

RED DEER COLLEGE
STATEMENT OF RESERVES
FOR THE YEAR ENDED JUNE 30, 1994

	Balance at Beginning of Year	Deduct Returned to Fund Balance	Add Appropriated from Fund Balance	Balance at End of Year
Operating				
Innovative instruction	\$ 145,272	\$ —	\$ 97,721	\$ 242,993
R.E.A.C.H. - operating	20,440	1,565	—	18,875
- trust	11,482	7,085	—	4,397
Student residences	820,588	110,660	223,394	933,322
Children's Service Centre	32,045	—	20,069	52,114
Parking	44,862	—	12,399	57,261
Child care	—	—	51,874	51,874
	<u>1,074,689</u>	<u>119,310</u>	<u>405,457</u>	<u>1,360,836</u>
Capital				
Cafeteria	9,112	10,219	7,751	6,644
	<u>\$1,083,801</u>	<u>\$ 129,529</u>	<u>\$ 413,208</u>	<u>\$1,367,480</u>

RED DEER COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority and Purpose

Red Deer College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended. The College is committed to providing a wide range of quality educational opportunities which promote success of learners and the enrichment of life in the communities it serves. The College is mandated to provide certificates, diplomas, and a wide variety of non-credit offerings. To fulfil this mandate, the College provides programming in adult development, career-oriented studies, trades training, and university undergraduate studies.

The College is exempt from the payment of income tax under Section 149 of the Income Tax Act.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that:

- (i) Capital assets are not amortized. Currently, the Canadian Institute of Chartered Accountants Handbook does not include recommendations for accounting measurement of capital assets for non-profit organizations but does recommend that the policy that is followed be disclosed.
- (ii) Capital long-term debt principal repayments are recorded as operating expenditure.

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. These funds are described as follows:

- The Operating Fund accounts for the revenues and expenditures associated with the primary educational activities of the College, and ancillary services associated with the provision of goods and services by the campus bookstore, student residences, child care centres and children's service centre.
- The Capital Fund accounts for the revenues and expenditures associated with the acquisition, maintenance, and disposal of the capital assets of the College except for those relating to ancillary services.
- The Restricted Fund accounts for donations for which donors have specified the purpose, including endowments for which donors have specified that the principal is to be held intact.

(c) Inventories

Inventories of merchandise and supplies are valued at the lower of cost or net realizable value.

(d) Capital Assets

Capital assets are recorded as expenditure in the year of acquisition except when financed by long-term debt. The acquisitions are capitalized with an offsetting entry to equity in capital assets unless financed by long-term debt. The equity in capital assets which are financed by long-term debt is recorded as the debt is repaid. No amortization is recorded.

Capital assets are recorded at cost except for donated assets which are recorded at fair market value.

(e) Investments

Investments are recorded at cost or amortized cost, with amortization calculated on a straight-line basis over the life of the investment.

(f) Deferred Revenue

The unearned portion of revenue and amounts received for programs commencing in the next fiscal year are recorded as deferred revenue.

(g) Inter-fund Transfers

Policies have been established within specified activities or objectives to transfer amounts between funds to achieve the financial objectives of the College.

(h) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policies

(a) Vacation Pay

The College has changed its method of recording vacation pay. Previously, vacation entitlements earned but not taken were not recorded. Vacation pay is now recorded in the period in which it is earned. This change has been applied retroactively and has the effect of decreasing expenditure by \$62,035 (1993 increasing expenditure by \$261,809) and recognizing accrued vacation pay of \$1,755,840 (1993 \$1,817,875).

(b) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the College's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expenditure by \$27,000 and recognizing a pension liability of \$1,687,000.

The effect of the above changes on the Operating Fund balance at the beginning of the year is as follows:

	<u>1994</u>	<u>1993</u>
As previously stated	\$ 1,656,948	\$ 1,284,684
Vacation pay accrual	(1,817,875)	(1,556,066)
Pension liability	<u>(1,660,000)</u>	<u>—</u>
As restated	<u>\$ (1,820,927)</u>	<u>\$ (271,382)</u>

Note 4 Investments

Investments are summarized as follows:

	<u>1994</u>	<u>1993</u>
Bonds and coupons	\$ 7,719,464	\$ 6,337,022
Mortgage backed securities	1,495,652	1,511,201
Mutual funds	871,956	853,161
Treasury bills and other	<u>1,489,153</u>	<u>347,067</u>
	<u>\$11,576,225</u>	<u>\$ 9,048,451</u>
Estimated market value	<u>\$10,775,355</u>	<u>\$ 9,573,125</u>

Note 5 Capital Assets

Capital assets are summarized as follows:

	<u>1994</u>	<u>1993</u>
Land and improvements	\$ 8,823,976	\$ 8,823,976
Buildings	48,703,946	48,763,497
Furniture and equipment	12,015,631	11,402,503
Mobile equipment	352,500	359,287
Computer software	728,414	691,728
Club share	<u>750</u>	<u>750</u>
	<u>\$70,625,217</u>	<u>\$70,041,741</u>

Note 6 Deferred Revenue

Deferred revenue is summarized as follows:

	1994	1993
Student prepayments	\$ 711,084	\$ 488,472
Other	494,159	698,358
	<u>\$1,205,243</u>	<u>\$1,186,830</u>

Note 7 Funds Held on Behalf of Others

	Balance at Beginning of Year	Receipts	Disbursements	Balance at End of Year
Deferred salary leave plan	\$313,083	\$161,126	\$122,119	\$352,090
Red Deer College Press	(4,313)	377,903	366,440	7,150
Further Education Council	39,052	62,677	58,501	43,228
Other	10,358	17,609	23,473	4,494
	<u>\$358,180</u>	<u>\$619,315</u>	<u>\$570,533</u>	<u>\$406,962</u>

Note 8 Long-Term Debt

Long-term debt is summarized as follows:

	Principal Outstanding	
	1994	1993
Operating:		
Telephone central processing unit, maturing in 1995	\$ 6,117	\$ 9,607
Capital:		
Student residences, debenture maturing November 1, 2007 at 7.25% per annum interest	739,165	770,620
	<u>\$745,282</u>	<u>\$780,227</u>

The repayment of principal in the next five fiscal years is as follows:

1995	\$38,319
1996	34,579
1997	37,132
1998	39,873
1999	42,816

Note 9 Pension Liability

The College participates with other employers in a defined benefit pension plan. The Local Authorities Pension Plan provides pensions for the College's employees based on length of service and earnings.

The College's unfunded pension liability for the plan at June 30, 1994 is \$1,687,000. The total amount of unfunded pension liabilities from this plan was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of unfunded pension liabilities which will be funded by employers. The College's portion of the employer's liability was calculated based on the College's percentage of the total pensionable payroll of all employers.

Note 10 Restricted Funds

	Balance at Beginning of Year	Receipts and Transfers	Disbursements and Transfers	Balance at End of Year
Endowment funds Designated for:				
Red Deer College operations	\$2,384,294	\$ 52,956	\$ —	\$2,437,250
Scholarships and other	1,106,577	55,176	6,908	1,154,845
	<u>3,490,871</u>	<u>108,132</u>	<u>6,908</u>	<u>3,592,095</u>
Expendable funds Generated by:				
Interest on endowments	153,071	233,684	225,320	161,435
Donations	412,934	567,586	738,421	242,099
	<u>566,005</u>	<u>801,270</u>	<u>963,741</u>	<u>403,534</u>
	<u>\$4,056,876</u>	<u>\$ 909,402</u>	<u>\$ 970,649</u>	<u>\$3,995,629</u>

Note 11 Grants, Province of Alberta

Grants from the Province of Alberta are summarized as follows:

	1994	1993
Department of Advanced Education and Career Development:		
Operating		
Base	\$17,751,212	\$17,225,018
Conditional	361,877	1,696,492
Other	<u>1,675,286</u>	<u>1,230,313</u>
	19,788,375	20,151,823
Capital		
General	724,600	727,081
Restricted		
Matching	—	112,500
	<u>20,512,975</u>	<u>20,991,404</u>
Other:		
Operating	60,000	79,122
	<u>\$20,572,975</u>	<u>\$21,070,526</u>

Note 12 Supplementary Expenditure Information

Operating fund expenditures are summarized by object of expenditure as follows:

	1994	1993
Salaries and benefits	\$23,288,240	\$24,059,124
Supplies and sundry	7,610,430	7,453,489
Maintenance	503,567	899,774
Utilities and taxes	1,015,438	993,968
Interest on long-term debt	65,144	69,240
	<u>\$32,482,819</u>	<u>\$33,475,595</u>

Note 13 Salaries and Benefits

	1994				1993	
	Number of Individuals ⁽³⁾⁽⁴⁾	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Number of Individuals ⁽³⁾⁽⁴⁾	Total
Board:						
Chairman	1.0	\$ 900	\$ —	\$ 900	1.0	\$ 1,356
Members	9.0	6,102	—	6,102	9.0	12,204
President	1.0	96,479	14,528	111,007	1.0	126,259
Vice President, Academic	1.0	80,822	12,014	92,836	1.0	98,236
Vice President, Student and College Services	1.0	85,380	14,512	99,892	1.0	99,963
Director, Human Resources	1.0	75,594	10,579	86,173	1.0	86,897
Dean, Business, Trades and Technology	1.0	73,755	10,484	84,239	1.0	84,544
Other senior managers (average 1994 \$76,847, 1993 \$77,697)	7.0	477,543	60,388	537,931	7.0	543,882
Other managers (average 1994 \$47,475, 1993 \$47,628)	18.0	742,235	112,310	854,545	21.5	1,024,007
Other full-time staff						
Executive secretaries (average 1994 \$38,126, 1993 \$37,948)	4.5	146,413	25,155	171,568	6.0	227,688
Support (average 1994 \$34,508, 1993 \$35,435)	102.0	3,030,149	489,657	3,519,806	104.0	3,685,261
CUPE members (average 1994 \$29,896, 1993 \$29,185)	66.0	1,663,630	309,481	1,973,111	67.0	1,955,366
Academic staff ⁽⁵⁾ (average 1994 \$56,900, 1993 \$56,066)	211.0	10,431,016	1,574,947	12,005,963	214.0	11,998,108
Instructional part-time and hourly		2,153,807	170,482	2,324,289		2,664,654
Non-instructional part-time and hourly		1,016,942	66,741	1,083,683		845,699
		<u>\$20,080,767</u>	<u>\$ 2,871,278</u>	<u>22,952,045</u>		<u>23,454,124</u>
Other payroll costs ⁽⁶⁾				336,195		605,000
				<u>\$23,288,240</u>		<u>\$24,059,124</u>

- (1) Salary includes regular base pay, sabbatical salaries, overtime and honoraria. No honoraria shall be payable to the Board effective July 1, 1994.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including Local Authorities Pension, Teachers' Retirement Fund, Canada Pension Plan, unemployment insurance, workers' compensation, health care, dental coverage, extended health care, group life and accidental death and dismemberment insurance, professional memberships and tuitions. Benefits and allowances include travel allowances.
- (3) Full-time staff consists of all individuals working 29 hours or more per week.
- (4) Number of individuals represents a weighted average count.
- (5) Includes 2 full-time equivalent staff on sabbatical with total salary and benefits of \$97,137 in 1994.
- (6) Other payroll costs include changes in accrued vacation pay, pension liability adjustment and severance allowances.

Note 14 Ancillary Services

The Operating Fund includes the revenue and expenditure of ancillary services as follows:

	Revenue	Expenditure	1994 Surplus	1993 Surplus
Bookstore	\$1,978,689	\$1,791,523	\$ 187,166	\$ 130,085
Student residences	1,041,349	787,822	253,527	274,331
Child care centres	964,382	912,263	52,119	2,288
Children's Service Centre	714,289	684,036	30,253	33,985
Parking and security	284,712	272,242	12,470	28,915
	<u>4,983,421</u>	<u>4,447,886</u>	<u>535,535</u>	<u>469,604</u>
Elimination of inter-fund transfers	(13,745)	(626)	(13,119)	—
	<u>\$4,969,676</u>	<u>\$4,447,260</u>	<u>\$ 522,416</u>	<u>\$ 469,604</u>

Note 15 Related Party Transactions

The Red Deer College Foundation is a charitable organization and was established to receive donations from various sources for the advancement of Red Deer College. The transactions between the College and the Foundation were as follows:

	1994	1993
Donations received from the Foundation	\$505,479	\$564,651
Administrative expenses paid on behalf of the Foundation:		
from restricted funds	64,135	91,390
from operating funds	57,914	8,459

Note 16 Budget

The Operating Fund budget was approved by the Board of Governors on May 19, 1993 and is presented for comparison with actual results.

Note 17 Comparative Figures

The 1993 comparative figures have been reclassified where necessary to conform to 1994 presentation.

Note 18 Approval of Financial Statements

These financial statements were approved by management.

SOUTHERN ALBERTA INSTITUTE
OF TECHNOLOGY
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations and Changes in Operating Net Assets

Consolidated Statement of Changes in Financial Position

Notes to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Board of Governors of the
Southern Alberta Institute of Technology

I have audited the consolidated statement of financial position of the Southern Alberta Institute of Technology as at June 30, 1994 and the consolidated statements of operations and changes in operating net assets, and changes in financial position for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly the financial position of the Institute as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A. J. K. Wingate, CA
Acting Auditor General

Edmonton, Alberta
September 6, 1994

SOUTHERN ALBERTA INSTITUTE OF TECHNOLOGY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 1994
(thousands of dollars)

	<u>1994</u>	<u>1993</u>
ASSETS		
Current:		
Cash and short-term investments (Note 4)	\$ 21,837	\$ 17,700
Accounts receivable	1,913	1,438
Inventories (Note 5)	972	1,134
Prepaid expenses	405	422
	<u>25,127</u>	<u>20,694</u>
Investments (Note 6)	1,639	1,928
Capital assets (Note 7)	281,928	289,576
Less: accumulated amortization (Note 3(d))	<u>(146,567)</u>	<u>(148,715)</u>
	<u>135,361</u>	<u>140,861</u>
	<u>\$ 162,127</u>	<u>\$ 163,483</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,804	\$ 7,215
Deferred revenue (Note 8)	2,189	1,944
Deferred salary plans (Note 9)	564	1,345
Deferred contributions (Note 10)	3,943	4,470
Accrued vacation pay (Note 3(b))	5,294	6,247
	<u>18,794</u>	<u>21,221</u>
Unamortized deferred expended capital contributions (Note 11)	<u>40,909</u>	<u>43,780</u>
Pension liability (Notes 3(c) and 16)	<u>6,351</u>	<u>—</u>
Net assets:		
Endowments	2,828	2,759
Operating net assets (Note 12)	<u>93,245</u>	<u>95,723</u>
	<u>96,073</u>	<u>98,482</u>
	<u>\$ 162,127</u>	<u>\$ 163,483</u>

Approved by the Board Governors:

Bruce Libin, Chairman of the Board

Céline Bélanger, Chairman of the
Finance, Administration and
Audit Committee

The accompanying notes are part of
these consolidated financial statements.

SOUTHERN ALBERTA INSTITUTE OF TECHNOLOGY
CONSOLIDATED STATEMENT OF OPERATIONS AND
CHANGES IN OPERATING NET ASSETS
FOR THE YEAR ENDED JUNE 30, 1994
(thousands of dollars)

	<u>1994</u>	<u>1993</u>
Revenue:		
Grants, Province of Alberta (Note 10)	\$ 64,218	\$ 65,051
Earned revenue programs	14,605	10,880
Ancillary services	6,589	6,403
Tuition fees	5,050	4,428
Sales, rentals and services (Note 13)	3,456	3,380
Donations and contributions	273	282
Investment income	1,020	948
Other	695	182
	<u>95,906</u>	<u>91,554</u>
Amortization of deferred expended capital contributions	6,219	5,466
	<u>102,125</u>	<u>97,020</u>
Expense:		
Instruction	44,613	44,769
Academic support	7,947	8,634
Student services	3,856	3,491
Institutional support	18,427	19,241
Ancillary services	5,209	5,252
Capital asset amortization (Note 7(d))	8,361	9,052
Capital asset loss on disposals and write downs (Note 7(c))	2,028	440
Scholarships and projects	673	670
Position abolishment and retirement incentives	7,240	687
	<u>98,354</u>	<u>92,236</u>
Excess of revenue over expense	3,771	4,784
Operating net assets, beginning of year as restated (Note 3)	89,474	90,939
Operating net assets, end of year	<u>\$ 93,245</u>	<u>\$ 95,723</u>

SOUTHERN ALBERTA INSTITUTE OF TECHNOLOGY
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
AS AT JUNE 30, 1994
(thousands of dollars)

	1994	1993
Cash provided from (used in) operating activities:		
Excess of revenue over expense	\$ 3,771	\$ 4,784
Capital asset amortization	8,361	9,052
Capital asset loss on disposals and write downs	2,028	440
Changes in non-cash working capital:		
Accounts receivable	(475)	586
Inventories	162	(867)
Prepaid expenses	17	5
Accounts payable and accrued liabilities	(411)	2,270
Deferred revenue	245	724
Deferred salary plans	(781)	(782)
Deferred contributions	(527)	(663)
Accrued vacation pay	(953)	(400)
Deferred capital contributions (Note 11)	3,348	6,312
Amortized deferred expended capital contributions (Note 11)	(6,219)	(5,466)
	<u>8,566</u>	<u>15,995</u>
Cash provided from (used in) investing activities:		
Capital asset acquisitions	(4,977)	(7,697)
Proceeds from disposal of capital assets	88	126
Purchase of investment	—	(1,549)
Redemption of investments	289	—
	<u>(4,600)</u>	<u>(9,120)</u>
Cash provided from financing activities:		
Increase in pension liabilities	102	—
Contributions to endowments	69	117
	<u>171</u>	<u>117</u>
Increase in cash and short-term investments	4,137	6,992
Cash and short-term investments, beginning of year	17,700	10,708
Cash and short-term investments, end of year	<u>\$21,837</u>	<u>\$17,700</u>

SOUTHERN ALBERTA INSTITUTE OF TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 Authority

The Southern Alberta Institute of Technology operates under the authority of the Technical Institutes Act, Chapter T-3.1, Statutes of Alberta 1981, as amended. The Institute provides educational programs to provide a skilled, productive work force for the economic development of Alberta and Canada. The Institute is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from payment of income tax. The Institute was established as a board governed institution on April 1, 1982.

Note 2 Significant Accounting Policies

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Consolidated Statements

These consolidated financial statements include the accounts of the Synectic Learning Systems Ltd., a wholly owned subsidiary, incorporated under the Business Corporations Act of Alberta.

(c) Revenue and Other Contributions

Contributions restricted for purposes other than endowment are deferred and then recognized as revenue to the extent of related expense.

Unrestricted contributions are recognized as revenue in the period received or receivable.

Revenue for provision of goods and services is recognized in the period in which the goods are provided or the services rendered.

Endowment contributions and contributions for capital assets that will not be amortized, are recognized as direct increases in net assets when received.

Contributions received for capital asset acquisition and contributions of property are deferred if the acquired property is to be amortized except for the contribution of capital assets transferred from the Province of Alberta at the time the Institute was established. Deferred contributions are then recognized as revenue on the same basis as the amortization expense related to the acquired assets.

Cash donations are recorded in the year received. Donated materials and supplies are not recognized in these financial statements.

(d) Investments

Investments are recorded at cost. Gains and losses on investments are recognized at liquidation, or when there is permanent impairment in the value of an investment.

(e) Capital Assets

Land is recorded at fair market value and buildings are recorded at amortized replacement costs, as determined by an independent appraisal as at April 1982. Subsequent additions are recorded at cost.

Furnishings, equipment and computer software are recorded at cost. Donated assets are recorded at fair market value.

Capital assets are amortized on a straight-line basis over the following average useful lives:

Buildings and site improvements	40 years
Furnishings and equipment	10 years
Vehicles	4 years, residual value 20% of cost

(f) Inventories

Inventories are valued at the lower of cost or net realizable value.

(g) Pension

Pension costs comprise the cost of pension obligations earned by employees during the year and interest on the portion of unfunded pension liabilities which the Institute has agreed to fund.

(h) Expenses

Instruction encompasses all formal educational and instructional program elements. Academic support includes all activities that directly support the educational and instructional elements such as academic administration, library and audio visual services. Student Services includes all activities or services to the student body of the institution. Institutional support includes all activities that provide institution-wide support to other programs.

Note 3 Changes in Accounting Policy, Presentation Practice and Prior Period Adjustment

(a) Presentation Practice

Prior to 1994, the financial statements were prepared in accordance with the principles of fund accounting. This basis of presentation was changed during the year with the objective of providing financial statement presentation which readers could more readily understand, and which was consistent, comparable and reflects all costs of operations.

(b) Vacation Pay

The Institute has changed its method of recording vacation pay. Previously, vacation entitlements earned but not taken were not recorded. Vacation pay is now accrued in the period in which it is incurred. This change has been applied retroactively and has the effect of decreasing expense by \$953,000 (1993 \$400,000) and increasing accrued vacation pay by \$5,294,000 (1993 \$6,247,000).

(c) Pension Liability

Effective July 1, 1993, a liability has been recorded to reflect the Institute's portion of unfunded pension liabilities. This policy has been applied retroactively without restatement of prior periods as the related adjustments are not determinable. The change has had the effect of increasing expense by \$102,000 and recognizing a pension liability of \$6,351,000.

(d) Amortization of Capital Assets

In prior years, capital assets were recorded as expenditure in the year of acquisition. During the year the Institute changed its accounting policy to record amortization of capital assets and gains or losses on disposal. This change has been applied retroactively with restatement of prior years' amounts. The change has had the effect of increasing expense by \$5,412,000 (1993 \$1,795,000) and decreasing capital assets by \$146,567,000 (1993 \$148,715,000).

(e) Restricted Contributions

In prior years, restricted contributions were recognized as revenue when received. During the year the Institute changed its method of accounting to record restricted contributions and endowments in accordance with the policy described in Note 2(c). This change has been applied retroactively with restatement of prior years' amounts. The change has had the effect of decreasing revenue by \$387,000 (1993 \$269,000) and increasing deferred revenue and deferred contributions by \$3,785,000 (1993 \$3,685,000).

(f) Capital Contributions

In prior years, capital grants, gifts of capital assets and other contributions for capital assets were recognized when received. During the year the Institute changed its methods of accounting to record these contributions in accordance with the policy described in Note 2(c). This change has been applied retroactively with restatement of prior years' amounts. This change has the effect of increasing unamortized deferred expended capital contributions and decreasing investment in capital assets by \$40,909,000 (1993 \$43,780,000), and increasing (decreasing) revenue by \$3,002,000 (1993 \$(285,000)).

(g) Prior Period Adjustment

In 1982, on becoming board-governed, the Institute signed an agreement with the Province of Alberta for the transfer of control and legal title of the Institute Campus. Under this agreement the Province retained the legal title of a portion of the Campus until such time as the location of Calgary Light Rail Transit has been reserved and a land title for the portion established. This portion was not previously recorded. All the determinations have been finalized and the legal title of this portion of the Campus, appraised in 1982 at \$2,830,000, is now registered to the Institute. This transaction is recorded as a prior period adjustment by increasing capital assets and net investments in capital asset balances by the 1982 appraised value of the land.

The effect of the above changes on operating net assets at beginning of year on the Statement of Operations and Changes in Operating Net Assets is as follows:

	1994	1993
	(thousands of dollars)	
Fund balances and equity in capital assets excluding endowment, at beginning of year, as previously reported	\$ 295,320	\$ 282,855
Vacation pay	(6,247)	(6,647)
Pension liability	(6,249)	—
Accumulated amortization of capital assets	(148,715)	(140,945)
Restricted contributions	(3,685)	(4,220)
Prior period adjustment	2,830	2,830
Unamortized deferred expended capital contributions	(43,780)	(42,934)
Operating net assets at beginning of year as restated	<u>\$ 89,474</u>	<u>\$ 90,939</u>

Note 4 Cash and Short-term Investments

An amount of \$564,000 (1993 \$1,345,000) is allocated for the deferred salary plans.

Note 5 Inventories

Inventories are summarized as follows:

	1994	1993
	(thousands of dollars)	
Bookstore	\$ 737	\$ 864
Materials and supplies	188	229
Foodstores	47	41
	<u>\$ 972</u>	<u>\$1,134</u>

Note 6 Investments

Investments consist of mortgage-backed securities, having a market value of \$1,587,000 (1993 \$1,955,000).

Note 7 Capital Assets

(a) Summary of Cost and Net Book Value

	1994			1993
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Land and improvements	\$ 22,992	\$ —	\$ 22,992	\$ 22,992
Buildings and site improvements	202,949	105,250	97,699	100,328
Furnishings, equipment and vehicles	55,987	41,317	14,670	17,541
	<u>\$281,928</u>	<u>\$146,567</u>	<u>\$135,361</u>	<u>\$140,861</u>

(b) Capital Acquisitions

Capital acquisitions during the year included donations in kind in the amount of \$622,000 (1993 \$1,253,000).

(c) Capital Asset Write Downs

During the year the Institute increased its capitalization criteria from \$500 to \$1,000. This resulted in asset write downs, net of accumulated amortization, of \$1,563,000.

(d) Contribution to the Alberta College of Art

Amortization expense includes a building owned by the Institute and occupied by the Alberta College of Art. The amortization of this building is \$384,000 (1993 \$384,000).

Note 8 Deferred Revenue

Deferred revenue is summarized as follows:

	1994	1993
	(thousands of dollars)	
Earned revenue programs	\$1,673	\$1,510
Tuition fees	393	400
Ancillary services and other	123	34
	<u>\$2,189</u>	<u>\$1,944</u>

Note 9 Deferred Salary Plans

	1994	1993
	(thousands of dollars)	
Four for Five Plan	\$ 383	\$1,163
Deferred Salary Leave Program	111	109
Deferred Salary Plan	70	73
	<u>\$ 564</u>	<u>\$1,345</u>

Four for Five Plan

Under the terms of the Four for Five Plan, participating employees receive 85% of their base salary, measured at the end of the fourth year, in the fifth year of the plan in monthly instalments.

Funding of the fifth year monthly instalments is derived from the employees' contributions in the prior four years of 15% of their annual salary, interest earned on these contributions invested and a contribution by the Institute.

Deferred Salary Leave Program

Under the Deferred Salary Leave Program, participating employees make monthly contributions ranging from 10% to 30% of their base salary. The contributions are then paid to employees throughout the leave period, which ranges from six to twelve months. This program is funded by employees' contributions plus accumulated interest.

Deferred Salary Plan

Under the Deferred Salary Plan, participating employees contributed up to 30% of their base salary. Contributions were accepted until December 31, 1986, at which time the Plan was collapsed and grandfathered to comply with the Revenue Canada Salary Deferral regulations. Payouts can be either a single cash payment or a series of instalments. This Plan is funded entirely by employees' contributions. Interest earned on this Plan is paid out to the participants annually.

Note 10 Deferred Contributions

Changes in deferred contributions are as follows:

	1994	1993
	(thousands of dollars)	
Contributions received during the year:		
Province of Alberta grants	\$ 66,823	\$ 69,849
Donations and contributions	1,270	1,860
Transferred to revenue:		
Province of Alberta grants	(64,218)	(65,051)
Donations and contributions	(273)	(282)
Earned revenue program	(712)	(610)
Transferred to endowments	(69)	(117)
Transferred to unamortized deferred expended capital contributions (Note 11)	(3,348)	(6,312)
Decrease during the year	(527)	(663)
Deferred contributions at beginning of year	4,470	5,133
Deferred contributions at end of year	<u>\$ 3,943</u>	<u>\$ 4,470</u>

Note 11 Unamortized Deferred Expended Capital Contributions

Changes in unamortized deferred expended capital contributions are as follows:

	1994	1993
	(thousands of dollars)	
Transferred from deferred contributions to acquire capital assets (Note 10)	\$ 3,348	\$ 6,312
Transferred to revenue	(6,219)	(5,466)
(Decrease) increase during the year	(2,871)	846
Unamortized deferred expended capital contributions, beginning of year	43,780	42,934
Unamortized deferred expended capital contributions, end of year	<u>\$40,909</u>	<u>\$43,780</u>

Note 12 Operating Net Assets

In order to establish an accounting performance measure, the Board of Governors created a capital surplus account at June 30, 1994. The capital surplus account is comprised of the value of land, buildings, and equipment formally transferred to the Institute from the Province on August 17, 1983, less related amortization.

The composition of the capital surplus account at June 30, 1994 is as follows:

	(thousands of dollars)
Contributions received from the Province	\$ 218,505
Accumulated amortization to June 30, 1994	(124,053)
Capital surplus account	<u>\$ 94,452</u>

The composition of operating net assets at June 30, 1994 is as follows:

	(thousands of dollars)
Capital surplus account	\$94,452
Other net assets (deficit)	(1,207)
Operating net assets	<u>\$93,245</u>

Note 13 Sales, Rentals and Services

Operating revenue from sales of miscellaneous goods and services is summarized as follows:

	1994	1993
	(thousands of dollars)	
Operating:		
Direct instruction	\$2,320	\$2,113
Administration	453	729
Student services	311	325
Synectic Learning Systems Ltd.	225	—
Indirect instruction	94	189
Education management	33	23
Campus operations	20	1
	<u>\$3,456</u>	<u>\$3,380</u>

Note 14 Salaries and Benefits

The following schedule consists of:

- (1) Salary includes regular base pay, faculty overload payments, overtime and contract fees.
- (2) Benefits include the Institute's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, use of leased vehicles and professional memberships required for employment.

During the year the costs of benefits increased by \$146,000. \$89,000 of this increase relates to the Institute's share of increased costs of statutory benefit plans.

- (3) Some members do not accept honoraria.

	1994					1993			
	Number of Individuals	Salary ⁽¹⁾	Benefits ⁽²⁾	Total	Average	Number of Individuals	Total	Average	
									(thousands of dollars)
(thousands of dollars)									
Executives:									
President	1	\$ 105	\$ 20	\$ 125	\$124,529	1	\$ 124	\$124,139	
Vice-President, Academic	1	84	18	102	101,616	1	111	110,700	
Vice-President, Finance and Administration	1	93	18	111	110,929	1	108	107,686	
Vice-President, Support Services	1	93	16	109	108,583	1	109	108,675	
Management	34	2,267	332	2,599	76,441	38	2,936	77,263	
Faculty	515	27,331	4,116	31,447	61,062	551	32,764	59,462	
Administrative support, unionized	481	14,787	2,404	17,191	35,700	507	18,095	35,690	
Administrative support, non-unionized	20	668	118	786	39,300	22	803	36,500	
Professional and technical	47	2,272	368	2,640	56,170	47	2,535	53,936	
Other full-time staff (individuals working 29 hours or more per week on wages)	47	1,357	69	1,426	30,340	41	1,179	28,756	
Part-time and casual wage staff	—	2,163	189	2,352	—	—	2,820	—	
Contracts	—	4,092	319	4,411	—	—	3,189	—	
Board of Governors - honoraria ⁽³⁾ :									
Chairman	1	—	—	—	—	1	2	1,700	
Members	8	25	1	26	2,777	10	30	3,000	
Members	7	—	—	—	—	5	—	—	
		<u>\$ 55,337</u>	<u>\$ 7,988</u>	<u>63,325</u>			<u>64,805</u>		
Salary charged to capital projects constructed				(445)			(455)		
Increase in pension costs accrued				102			—		
Reduction of vacation pay accrual				(953)			(400)		
Other benefits				(215)			(153)		
Salaries, wages and benefits (Note 15)				<u>\$ 61,814</u>			<u>\$ 63,797</u>		

Note 15 Operating Revenue and Expense Budget

On April 27, 1993, the Board of Governors of the Institute approved a net expenditure budget based on estimated revenues. Revenue and expense amounts were reclassified by object to conform to current presentation.

Revenues and expenses, budget to actual by object of expenditure are summarized as follows:

	1994		1993
	Budget	Actual	Actual
	(thousands of dollars)		
Revenue:			
Grants	\$ 65,029	\$ 64,218	\$ 65,051
Tuition fees	4,871	5,050	4,428
Earned revenue programs	9,931	14,605	10,880
Other revenues	9,942	12,033	11,195
Amortization of deferred expended capital contributions	—	6,219	5,466
	<u>89,773</u>	<u>102,125</u>	<u>97,020</u>
Expense:			
Salaries, wages and benefits	65,565	61,814	63,797
Supplies and services	14,411	12,664	12,452
Utilities	2,572	2,739	2,597
Rentals and maintenance	2,107	1,803	1,901
Abolishment and leave/retirement incentives	—	7,240	687
Capital asset amortization	—	8,361	9,052
Capital asset loss on disposals and write downs	—	2,028	440
Travel and hospitality	705	1,032	640
Scholarships and projects	—	673	670
	<u>85,360</u>	<u>98,354</u>	<u>92,236</u>
Excess of revenue over expense	<u>\$ 4,413</u>	<u>\$ 3,771</u>	<u>\$ 4,784</u>

Note 16 Pension Liability

The Institute participates with other employers in two defined benefit pension plans. The Local Authorities Pension Plan and the Management Employees Pension Plan provide pensions for the Institute's employees based on length of service and earnings.

The Institute's unfunded pension liability at June 30, 1994 was as follows:

Local Authorities Pension Plan	\$6,104,000
Management Employees Pension Plan	247,000
	<u>\$6,351,000</u>

The total amount of unfunded pension liabilities from these plans was determined by an actuarial valuation as at December 31, 1991, extrapolated to June 30, 1994. During 1993 the Legislature passed the Public Sector Pension Plans Act which determined the amount of unfunded pension liability to be funded by employers. The Institute's portion of that liability was calculated based on the Institute's percentage of the total pensionable payroll of all employers.

Note 17 Subsidiary Company

Synectic Learning Systems Ltd. is a wholly owned subsidiary incorporated on April 14, 1993 for the purpose of development, support, marketing and administration of computer software concerning learning management and curriculum information systems, and commenced operation in July 1993. Highlights of Synectic's operation for the period ended June 30, 1994 are as follows:

	1994
	(thousands of dollars)
Balance sheet	
Total assets	<u>\$250</u>
Total liabilities	189
Equity:	
Share capital	1
Retained earnings	<u>60</u>
	<u>\$250</u>
Income statement	
Revenues	\$340
Expenses	280
Net profit	<u>\$ 60</u>

Note 18 Comparative Figures

The 1993 figures have been reclassified where necessary to conform to 1994 presentation.

TELECOMMUNICATIONS RESEARCH LABORATORIES
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report

Consolidated Balance Sheet

Consolidated Statement of Revenue, Expenditure and Unexpended Funds

Consolidated Statement of Equity in Capital Assets

Notes to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Members of Telecommunications
Research Laboratories

I have audited the consolidated balance sheet of Telecommunications Research Laboratories as at March 31, 1995 and the consolidated statements of revenue, expenditure and unexpended funds and equity in capital assets for the year ended. These consolidated financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Telecommunications Research Laboratories as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 2 to the financial statements.

I further report that the Company has not complied with a Treasury Board Directive relating to the disclosure of salary and related benefits costs, and has not complied with instructions issued by Alberta Treasury relating to the disclosure of budget information.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 15, 1995

TELECOMMUNICATIONS RESEARCH LABORATORIES
CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Current:		
Cash (Note 3)	\$2,085,616	\$1,356,055
Accounts receivable (Note 4)	570,282	624,755
Prepaid expenses	50,539	53,740
	<u>2,706,437</u>	<u>2,034,550</u>
Capital assets (Note 5)	2,105,983	2,150,633
	<u>\$4,812,420</u>	<u>\$4,185,183</u>
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued liabilities	\$ 319,333	\$ 347,486
Deferred revenue	258,331	97,750
	<u>577,664</u>	<u>445,236</u>
Equity:		
Equity in capital assets	2,105,983	2,150,633
Unexpended funds	2,128,773	1,589,314
	<u>4,234,756</u>	<u>3,739,947</u>
	<u>\$4,812,420</u>	<u>\$4,185,183</u>
On behalf of the Board of Directors:		
J. Thubron, Director		R. Bird, Director
The accompanying notes are part of these financial statements.		

TELECOMMUNICATIONS RESEARCH LABORATORIES
CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE
AND UNEXPENDED FUNDS
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
Revenue:		
Contributions (Note 6)	\$8,026,865	\$6,846,152
Contracts (Note 7)	610,387	321,474
Interest	122,074	63,397
Other	249,968	216,579
	<u>9,009,294</u>	<u>7,447,602</u>
Expenditure:		
Personnel	2,110,107	1,876,980
Operating	2,936,050	2,257,253
Capital assets	840,652	1,114,113
Services in-kind (Note 6)	2,583,026	1,823,013
	<u>8,469,835</u>	<u>7,071,359</u>
Excess of revenue over expenditure	539,459	376,243
Unexpended funds at beginning of year	1,589,314	1,213,071
Unexpended funds at end of year	<u>\$2,128,773</u>	<u>\$1,589,314</u>

TELECOMMUNICATIONS RESEARCH LABORATORIES
CONSOLIDATED STATEMENT OF EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Acquisitions:		
Purchases	\$ 755,750	\$ 873,193
Contributions	84,902	240,920
	<u>840,652</u>	<u>1,114,113</u>
Deductions:		
Disposals, at cost	35,841	72,326
Amortization	849,461	559,076
	<u>885,302</u>	<u>631,402</u>
Net change in equity in capital assets	(44,650)	482,711
Equity in capital assets at beginning of year	2,150,633	1,667,922
Equity in capital assets at end of year	<u>\$2,105,983</u>	<u>\$2,150,633</u>

TELECOMMUNICATIONS RESEARCH LABORATORIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

Telecommunications Research Laboratories was incorporated under the provisions of Part 9 of the Companies Act of Alberta as a not-for-profit company limited by guarantee. It is affiliated with The University of Alberta.

The Company was established to create and operate joint university-industry telecommunications research facilities to provide: overall economic growth for its government sponsors; business growth for its industry sponsors; expanded quality education and research for its university sponsors; and research opportunities for its staff.

Note 2 Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that purchases and contributions of capital assets are charged to operations in the year of acquisition. Capital assets are shown on the balance sheet at original cost less accumulated amortization, with the offsetting credit to equity in capital assets. Amortization is charged directly to this account and is not reflected in the statement of revenue, expenditure and unexpended funds.

(b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company's wholly controlled subsidiary TR Technologies Inc. Intercompany transactions have been eliminated on consolidation.

(c) Amortization

Technical equipment and office furniture and equipment are amortized over their estimated useful lives on a declining balance basis at rates of 40% and 20% respectively. Other capital assets are amortized on a straight-line basis with computing equipment over three years and leasehold improvements over the term of the lease.

(d) Contributions

Contribution revenue includes cash, the value of capital assets and services in-kind provided without charge to the Company.

(i) Capital Asset Contributions

Capital asset contributions are recorded at market value at date of acquisition. The amount of capital asset contributions is included in acquisition of capital asset expenditure.

(ii) Service Contributions

Services contributed without charge by sponsor staff consist of management assistance and the services of resident professionals. These are based on agreements between the Company and its sponsors, and are recorded at the sponsor's cost.

The amount is included in expenditures for the year.

(e) Deferred Revenue

Contributions from sponsors related to expenditures that will be incurred in the subsequent year are recorded as deferred revenue.

(f) Unexpended Funds

Unexpended funds are maintained to cover:

- (i) planned and potential requirements such as major capital acquisitions, new facility start-up costs, and delays in anticipated cash flow; and
- (ii) fixed obligations including student financial awards, lease commitments and costs associated with the wind-up of operations.

(g) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund of the Province of Alberta. The Company earns interest on the daily cash balance at the average rate of interest earned by the Consolidated Cash Investment Trust Fund.

Note 4 Accounts Receivable

	1995	1994
Contributions receivable		
Government	\$362,948	\$419,000
Industry	23,279	31,872
Trade accounts receivable	<u>184,055</u>	<u>173,883</u>
	<u>\$570,282</u>	<u>\$624,755</u>

Note 5 Capital Assets

	1995		1994	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Technical equipment	\$2,202,690	\$1,539,214	\$ 663,476	\$ 726,892
Office furniture and equipment	1,089,323	600,659	488,664	519,613
Computing equipment	1,835,852	1,000,682	835,170	749,424
Leasehold improvements	<u>170,679</u>	<u>52,006</u>	<u>118,673</u>	<u>154,704</u>
	<u>\$5,298,544</u>	<u>\$3,192,561</u>	<u>\$2,105,983</u>	<u>\$2,150,633</u>

Note 6 Contributions

Contributions from industry, university and government are as follows:

	1995	1994
Industry:		
Cash	\$1,582,855	\$1,237,381
Capital assets	84,902	240,920
Services in-kind	<u>1,555,509</u>	<u>950,751</u>
	<u>3,223,266</u>	<u>2,429,052</u>
University:		
Services in-kind	<u>788,517</u>	<u>604,262</u>
Government:		
Government of Canada:		
Industry Canada		
Cash	1,530,000	1,390,000
Services in-kind	239,000	268,000
Province of Alberta, Department of Economic Development and Tourism		
Cash	1,552,082	1,509,838
Province of Manitoba, Department of Industry, Trade and Tourism		
Cash	320,000	280,000
Province of Saskatchewan, Department of Economic Development		
Cash	<u>374,000</u>	<u>365,000</u>
	<u>4,015,082</u>	<u>3,812,838</u>
	<u>\$8,026,865</u>	<u>\$6,846,152</u>

The above contributions, by type, are as follows:

Cash	\$5,358,937	\$4,782,219
Capital assets	84,902	240,920
Services in-kind	<u>2,583,026</u>	<u>1,823,013</u>
	<u>\$8,026,865</u>	<u>\$6,846,152</u>

Note 7 Contracts

Contract revenues are as follows:

	<u>1995</u>	<u>1994</u>
Hybrid Photonic Integrated Circuits	\$276,658	\$ —
Canadian Institute of Telecommunication Research	162,900	174,940
Solid State Optoelectronic Consortium	50,000	70,000
Memorandums of Cooperation	40,000	40,000
Other	80,829	36,534
	<u>\$610,387</u>	<u>\$321,474</u>

Note 8 Commitments

Minimum payments for the next five years under existing operating leases are as follows:

1996	\$277,539
1997	226,725
1998	196,440
1999	196,440
2000	156,840

Note 9 Comparative Figures

The 1994 figures have been reclassified where necessary to conform to 1995 presentation.

THE UNIVERSITY OF ALBERTA
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Statement of Financial Position
Statement of Revenue and Expense and Changes in Accumulated Deficit
Statement of Changes in Financial Position
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
The University of Alberta

I have audited the statement of financial position of The University of Alberta as at March 31, 1995 and the statements of revenue and expense and changes in unexpended net assets and changes in financial position for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 6, 1995

STATEMENT A

THE UNIVERSITY OF ALBERTA
STATEMENT OF FINANCIAL POSITION
AT MARCH 31, 1995
(in thousands of dollars)

	<u>1995</u>	<u>1994</u> (Restated) (Note 3)
ASSETS		
Current:		
Cash and short-term deposits	\$115,704	\$144,094
Accounts receivable	24,953	21,461
Accrued interest	2,397	1,651
Inventories	4,789	4,956
Other assets	<u>3,482</u>	<u>3,944</u>
	151,325	176,106
Investments (Note 4)	184,838	155,194
Capital assets (Note 5)	<u>572,944</u>	<u>563,746</u>
	<u>\$909,107</u>	<u>\$895,046</u>
LIABILITIES AND DEFERRED CAPITAL CONTRIBUTIONS		
Current:		
Accounts payable and accruals	\$ 27,287	\$ 29,588
Current portion of staff benefit liabilities (Note 6)	24,502	28,177
Current portion of long-term debt (Note 7)	1,993	2,048
Deferred contributions (Note 8)	47,242	53,473
Other deferred revenue	<u>4,459</u>	<u>4,774</u>
	105,483	118,060
Long-term:		
Staff benefit liabilities (Note 6)	86,733	80,438
Long-term debt (Note 7)	<u>35,571</u>	<u>37,766</u>
	122,304	118,204
Deferred capital contributions (Note 8)	<u>386,861</u>	<u>395,434</u>
	<u>509,165</u>	<u>513,638</u>
EQUITIES		
Endowments (Note 9)	194,355	181,415
Equity in capital assets (Note 5)	150,268	130,474
Accumulated deficit	<u>(50,164)</u>	<u>(48,541)</u>
	<u>\$909,107</u>	<u>\$895,046</u>

The accompanying notes are part
of these financial statements.

STATEMENT B

THE UNIVERSITY OF ALBERTA
STATEMENT OF REVENUE AND EXPENSE AND
CHANGES IN ACCUMULATED DEFICIT
FOR THE YEAR ENDED MARCH 31, 1995
(in thousands of dollars)

	<u>1995</u>	<u>1994</u> (Restated) (Note 3)
Revenue:		
Government sources	\$312,012	\$332,066
Credit course tuition and related fees	69,641	65,562
Donations and grants	30,110	28,649
Investment income	22,352	19,263
Sales of goods and services	<u>77,467</u>	<u>84,674</u>
	511,582	530,214
Amortization of deferred capital contributions (Note 8)	<u>28,462</u>	<u>32,503</u>
	<u>540,044</u>	<u>562,717</u>
Expense:		
Salaries	313,595	328,615
Staff benefits	54,850	65,233
Supplies and sundries	65,230	66,072
Utilities	16,689	16,117
Maintenance	15,158	15,649
Rentals	6,240	6,656
Travel	13,497	13,503
Interest	3,250	3,897
Scholarships	8,008	7,471
Capital assets amortization	43,207	44,276
Cost of goods sold and recovered	68,517	70,855
Cost recoveries	<u>(90,236)</u>	<u>(90,294)</u>
	<u>518,005</u>	<u>548,050</u>
Excess of revenue over expense	22,039	14,667
Allocation to equity in capital assets	(20,050)	(15,609)
Allocation to endowments	(3,612)	(4,072)
Accumulated deficit, beginning of year	<u>(48,541)</u>	<u>(43,527)</u>
Accumulated deficit, end of year	<u>\$ (50,164)</u>	<u>\$ (48,541)</u>

STATEMENT C

THE UNIVERSITY OF ALBERTA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(in thousands of dollars)

	<u>1995</u>	<u>1994</u> (Restated) (Note 3)
Cash provided from (used in) operating activities:		
Excess of revenue over expenditure	\$ 22,039	\$ 14,667
Capital assets amortization charged to operations	43,207	44,276
Amortization of deferred capital contributions	(28,462)	(32,503)
Proceeds of disposal of capital assets	(469)	(751)
Net increase in non-cash working capital	<u>(12,505)</u>	<u>(6,950)</u>
	<u>23,810</u>	<u>18,739</u>
Cash provided from (used in) investing activities:		
Capital assets acquisitions	(53,019)	(54,949)
Purchases of investments, net	(29,644)	(15,607)
Proceeds of disposal of capital assets	469	751
Deferred capital contributions	<u>20,296</u>	<u>29,079</u>
	<u>(61,898)</u>	<u>(40,726)</u>
Cash provided from (used in) financing activities:		
Increase in staff benefit liabilities	2,620	11,563
Long-term debt - repayments	(2,250)	(1,681)
Contributions restricted for endowments	<u>9,328</u>	<u>6,119</u>
	<u>9,698</u>	<u>16,001</u>
Decrease in cash and short-term deposits	<u>(28,390)</u>	<u>(5,986)</u>
Cash and short-term deposits, beginning of year	<u>144,094</u>	<u>150,080</u>
Cash and short-term deposits, end of year	<u><u>\$115,704</u></u>	<u><u>\$144,094</u></u>

THE UNIVERSITY OF ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995
(in thousands of dollars)

Note 1 Authority and Purpose

The corporation "The Governors of The University of Alberta" operates under the authority of the Universities Act, Chapter U-5, Revised Statutes of Alberta, 1980. The mission of the University includes post secondary and graduate education, research and public service. The University is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from payment of income tax.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants. The University records its economic interest in the revenues, expenses, assets and liabilities of all related entities.

(b) Inventories

Inventories of merchandise and supplies are recorded at the lower of cost or net realizable value.

(c) Investments

Investments are recorded at cost or amortized cost where applicable. Amortization of premiums and discounts are calculated on a straight-line basis from acquisition date to maturity. Gains or losses on sales of investments are recognized in the year of disposal or when there is permanent impairment in the value of an investment.

(d) Capital Assets

All assets are recorded at cost as incurred. Gifts of capital assets in kind are capitalized at fair market value, as determined by expert appraisal. Capital assets amortization is recorded on a straight-line basis over the assets' estimated useful lives, which range from 10 to 40 years for buildings and utilities, from 5 to 25 years for equipment and furnishings and 10 years for that portion of library materials which are not part of the University's permanent collections. Permanent collections include: that portion of library assets considered to have permanent value, museum specimens, archival materials, maps and works of art.

Long-term leases that are effectively purchases are capitalized at the present value of the remaining lease payments, discounted at the rate implicit in the lease, and shown as long-term debt. Lease agreements where substantially all the benefits and risks do not accrue to the University are treated as operating leases and lease payments are expensed when made.

(e) Recognition of Revenue

Operating grants are recognized when receivable. Revenues received for the provision by the University of goods and services are recognized in the period in which the goods are provided or the services rendered or substantially rendered.

(f) Deferred Contributions, Deferred Capital Contributions and Other Contributions

Contributions restricted for purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted to the acquisition of capital assets having limited life are deferred and recorded as deferred capital contributions in the period in which they are expended. Deferred capital contributions are amortized to revenue over the useful lives of the related assets. Endowment contributions are recognized as direct increases in equity in the period in which they are received. Contributions restricted to the acquisition of non-consumable capital assets are deferred and recognized as direct increases in equity in the period in which they are expended.

(g) Sales of Goods and Services and Cost Recoveries

Sales of goods and services are transactions with external entities. Cost recoveries are transactions between the various units within the University.

(h) Pension Liability and Expenditure

The University and its eligible employees participate in either the Universities Academic Pension Plan or the Public Service Pension Plan. The University's pension liability is its portion of the pension plans' total unfunded pension liabilities, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portions are based upon the ratio of pensionable earnings of the University's employees to the earnings of all employees in each of the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liabilities, the amortization of deferred adjustments over the expected average remaining service life of employees, and the effect of the change in the ratio used to allocate the plans' total unfunded liabilities to participating entities.

(i) Contributed Services

Volunteers as well as members of the staff of the University contribute an indeterminable number of hours per year to assist the institution in carrying out its service delivery activities. Such contributed services are not recognized in the financial statements.

Note 3 Accounting Policy Changes

Prior to the current fiscal year the University recognized contributions restricted to the acquisition of capital assets as revenue of the period in which the assets were acquired. With retroactive effect the University has adopted the proposed recommendations of the Canadian Institute of Chartered Accountants whereby such contributions are deferred and amortized to revenue over the useful lives of such assets.

Prior to the current fiscal year the University did not record amortization on any portion of its library collections. With retroactive effect, the University has recognized amortization on that component of its library holdings having limited useful life, in accordance with the policy outlined in Note 2(d).

The effect of the above changes in accounting policy on previously reported figures are as follows:

	1994 As Previously Reported	Deferred Capital Contributions and Amortization	Amortization of Library Collections	1994 As Restated
Capital assets	\$598,362	\$ —	\$ (34,616)	\$563,746
Deferred capital contributions	—	395,434	—	395,434
Equity in capital assets	560,524	(395,434)	(34,616)	130,474
Revenue - Government sources	349,307	(17,241)	—	332,066
Donations and grants	40,298	(11,649)	—	28,649
Investment income	19,452	(189)	—	19,263
Amortization of deferred capital contributions	—	32,503	—	32,503
Capital assets amortization	41,541	—	2,735	44,276
Allocation to equity in capital assets	(14,920)	(3,424)	2,735	(15,609)

The effect of the above changes in accounting policy is an increase of \$5,154 in the excess of revenue over expense for 1995.

Note 4 Investments

	1995		1994	
	Cost	Market	Cost	Market
Marketable securities				
Government bonds	\$ 48,447	\$ 48,251	\$ 31,801	\$ 32,135
Corporate debentures	24,610	24,784	15,187	15,720
Common shares	89,685	136,614	83,584	119,194
	<u>162,742</u>	<u>\$209,649</u>	<u>130,572</u>	<u>\$167,049</u>
Other (not-publicly traded)				
Long-term notes - endowment	5,904		6,320	
Mortgages	11,634		15,278	
Real estate	3,390		1,790	
Private placements	1,168		1,234	
	<u>22,096</u>		<u>24,622</u>	
	<u>\$184,838</u>		<u>\$155,194</u>	

Note 5 Capital Assets and Equity in Capital Assets

	1995	1994
Buildings and utilities	\$ 724,255	\$ 704,056
Equipment and furnishings	352,357	340,977
Library materials	52,056	48,303
Total capital assets with limited life	1,128,668	1,093,336
Accumulated amortization	(627,860)	(597,096)
	<u>500,808</u>	<u>496,240</u>
Permanent collections		
Library	50,912	46,413
Other	15,923	15,792
Land	5,301	5,301
Capital assets, net book value	572,944	563,746
Deferred financing charges	697	746
Deferred capital contributions	(386,861)	(395,434)
Long-term debt related to capital expenditures	(36,512)	(38,584)
Equity in capital assets	<u>\$ 150,268</u>	<u>\$ 130,474</u>

Note 6 Staff Benefit Liabilities

	1995		1994	
	Academic Staff	Support Staff	Total	Total
Pension plans (see below)	\$54,585	\$10,533	\$ 65,118	\$ 58,462
Vacation pay	9,879	9,345	19,224	19,953
Long-term disability leave plans	8,189	11,126	19,315	19,241
Retirement incentive programs	2,008	5,570	7,578	10,959
	<u>74,661</u>	<u>36,574</u>	<u>111,235</u>	<u>108,615</u>
Less: Current portion	<u>11,905</u>	<u>12,597</u>	<u>24,502</u>	<u>28,177</u>
	<u>\$62,756</u>	<u>\$23,977</u>	<u>\$ 86,733</u>	<u>\$ 80,438</u>

The University's share of the net unfunded past service liability of the Universities Academic Pension Plan, based on an actuarial valuation performed as at December 31, 1994 and extrapolated to March 31, 1995, is to be fully funded by December 31, 2043 through contributions by the University. The University's share of the net unfunded past service liability of the Public Service Pension Plan, based on an actuarial valuation performed as at December 31, 1993 and extrapolated to March 31, 1995, is to be fully funded by December 31, 2036 through contributions by the University. Current service obligations of both plans are to be fully funded by participating employees and the University. Contributions to fund both current and past service costs are determined by periodic actuarial valuation.

Note 7 Long-term Debt

	Maturity	Interest	Amount Outstanding	
	Date	Rate %	1995	1994
Long-term notes held as endowment investments - car parks				
Stadium and Windsor (a)	July 1, 2003	11.500	\$ 2,046	\$ 2,172
Education (b)	August 1, 2013	17.410	3,238	3,459
Stadium renovation	July 1, 1996	11.750	620	689
Mortgages payable to CMHC				
Lister residences	July 1, 2014	5.125	2,237	2,304
Michener Park phase I	April 1, 2018	5.875	3,512	3,582
MacKenzie Hall	November 1, 2018	6.250	1,809	1,842
Michener Park phase II	December 1, 2023	7.500	3,598	3,633
Pembina Hall	June 1, 2011	10.375	394	404
Debentures payable, Province of Alberta				
Housing Union Building	June 1, 2008	7.186	4,099	4,279
South Field Car Park - AMFC	November 1, 2014	10.250	1,880	1,909
Student Residences - AMFC	February 1, 1996	11.000	191	364
Student Residences - AMFC	August 15, 1996	10.250	735	1,052
Extension Centre - AMFC	October 1, 2017	8.750	8,321	8,435
Extension Centre - AMFC	October 1, 2002	7.875	856	931
Loan payable, Bank of Montreal				
East Campus Housing	August 1, 2008	7.340	2,731	2,846
Obligations under capital leases			245	683
Total long-term debt related to capital expenditures			36,512	38,584
Debentures payable, Province of Alberta Students' Union				
Building (c)	November 30, 1999	5.500	1,052	1,230
			37,564	39,814
Less: Current portion			1,993	2,048
			<u>\$35,571</u>	<u>\$37,766</u>

(a) Effective July 1, 1988, the note was restructured to reflect prevailing market rates. The loan principal was increased by \$947 and this amount was recorded as a deferred financing charge which is being amortized over the 15 year term of the note. The unamortized amount of the deferred financing charge at March 31, 1995 is \$697 (1994 \$746).

(b) The annual payment of principal and interest includes a participation payment which is adjusted to reflect the difference between the current Consumer Price Index and the Index at the time of the original advance.

(c) The annual principal and interest payments are recovered from the Students' Union.

Anticipated requirements to meet the principal portion of long-term debt repayments over the next five years are as follows:

1996	\$1,992
1997	\$1,759
1998	\$1,449
1999	\$1,567
2000	\$1,693

Note 8 Deferred Contributions and Deferred Capital Contributions

	Deferred Contributions				Deferred Capital Contributions
	Sponsored Research	Capital	Other Restricted	Total	
Contributions received	\$ 89,288	\$ 2,700	\$ 17,572	\$ 109,560	\$ —
Expenses	(70,368)	(120)	(14,826)	(85,314)	—
Transfers to unrestricted accounts	(8,410)	701	(2,472)	(10,181)	—
Capital acquisitions	(9,782)	(9,963)	(551)	(20,296)	20,296
Additions to permanent collections	—	—	—	—	(407)
Amortization - deferred capital contributions	—	—	—	—	(28,462)
Increase (decrease) for the year	728	(6,682)	(277)	(6,231)	(8,573)
Deferred balances, beginning of year	31,823	10,452	11,198	53,473	395,434
Deferred balances, end of year	<u>\$ 32,551</u>	<u>\$ 3,770</u>	<u>\$ 10,921</u>	<u>\$ 47,242</u>	<u>\$386,861</u>

Note 9 Endowments

Endowments consist of restricted donations to the University and internal allocations by the Board of Governors, the principal of which is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. University policy has been established with the objective of protecting the real value of the endowments by limiting the amount of income expended and reinvesting unexpended income. Endowments comprise the following:

	Opening Balance	Contributions	Earnings Capitalized	Closing Balance
Externally restricted	\$154,148	\$ 9,328	\$ 3,002	\$166,478
Internally restricted	27,267	—	610	27,877
	<u>\$181,415</u>	<u>\$ 9,328</u>	<u>\$ 3,612</u>	<u>\$194,355</u>

Note 10 Budget Comparison

A Treasury Board Directive under the Financial Administration Act of the Province of Alberta requires Universities to disclose their annual approved budgets in their financial statements for years subsequent to 1994. The budgeting procedures and principles adopted by the University of Alberta address management and control issues which are not necessarily congruent with the general purpose reporting principles for Not-For-Profit Organizations under which these statements have been prepared. In order to permit a valid comparison to be made between these statements and the budget it has been necessary to recast certain elements of the published budget. Costs relating to capital assets, staff benefit liability accruals and certain other expenditures are dealt with in the budget on a cash flow basis whereas the financial statements follow accrual accounting principles. Neither capital asset amortization nor staff benefit liability accruals are elements of the Board approved budget and they have been added to the summary budget figures below. Similarly, revenue deferrals as well as the amortization thereof have been dealt with as adjustments to the budget.

Research and other trust funds must be used in accordance with the directions of external funding parties. Therefore, the Board does not exercise direct control over such funds and thus does not approve a budget for them. In order to avoid a large distortion in the absolute variances, the budget figures presented below include values equalling actual revenues and expenses for all research and other trust funds.

The following is Statement B summarized for comparison with the adjusted budget figures:

	Actual	Budget	Variance
Revenues:			
Government sources	\$312,012	\$312,069	\$ (57)
Tuition and other fees	69,641	71,841	(2,200)
Other revenues	129,929	128,990	939
	511,582	512,900	(1,318)
Amortization of deferred capital contributions	28,462	28,462	—
	<u>540,044</u>	<u>541,362</u>	<u>(1,318)</u>
Expenses:			
Salaries	313,595	308,766	(4,829)
Staff benefits	54,850	55,203	353
Supplies and other	106,353	102,359	(3,994)
Contingencies - before allocation	—	7,539	7,539
Capital assets amortization	43,207	43,207	—
	518,005	517,074	(931)
Excess of revenue over expenditure	<u>\$ 22,039</u>	<u>\$ 24,288</u>	<u>\$ (2,249)</u>

Note 11 Salary Disclosure

A Treasury Board Directive under the Financial Administration Act of the Province of Alberta requires the disclosure of certain salary and employee benefit information.

	1995				1994	
	Number of Individuals	Salary	Benefits	Total	Number of Individuals	Total
President	1	\$ 176	\$ 18	\$ 194	1	\$ 209
Vice-Presidents:						
Academic	1	137	15	152	1	158
Finance and Administration	1	145	15	160	1	158
Research	1	128	15	143	1	141
Student and Academic Services ^(a)	1	23	4	27	1	104
Development and Community Affairs ^(b)	1	106	9	115	1	146
Academic staff (average 1995 \$61,485, 1994 \$60,788)	3,188	167,029	28,984	196,013	3,370	204,855
Non-academic staff (average 1995 \$38,354, 1994 \$37,474)	3,189	101,541	20,771	122,312	3,529	132,247
Non-salaried staff	2,724	14,733	761	15,494	2,304	16,015
Students and graduate assistants	2,087	23,777	909	24,686	1,993	24,427
Increase (decrease) in staff benefit liabilities		(729)	3,349	2,620		11,563
		307,066	54,850	361,916		390,023
		6,529	—	6,529		3,825
Early retirement and severance payments		<u>\$313,595</u>	<u>\$ 54,850</u>	<u>\$368,445</u>		<u>\$393,848</u>

The Chairman and members of the Board of Governors, the Chancellor and members of the Senate and external members of the Board's standing committees receive no remuneration for the services that they provide to the University.

Salary includes regular base pay, overtime, sabbatical salaries, special leave with pay, supplements, honoraria and any other remuneration. Salaries also include vacation payouts: Academic \$96 (1994 \$46), Non-Academic \$786 (1994 \$480).

^(a) The position was eliminated effective July 1994.

^(b) The position was eliminated effective January 1995.

Note 12 Contingent Liabilities and Commitments

The University is a defendant in a number of legal proceedings. Claims against the University in these proceedings, the total of which is substantial, have not been reflected in these financial statements. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of management and the University's legal counsel that the resolution of these claims will not have a material effect on the financial position of the University.

Academic staff members are entitled to a professional expense allowance for expenses related to teaching, research, professional or general University duties. At March 31, 1995, approximately \$3,000 of such allowances are committed for expenses not yet incurred.

Note 13 Donation Pledges

The estimated amount of donation pledges received for \$1,270 (1994 \$2,267) is expected to be received over the next four years. The majority of these funds are designated by donors for specific purposes. These amounts have not been recorded in these financial statements since the amount to be received cannot be reasonably estimated nor is ultimate collection reasonably assured.

Note 14 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 financial statement presentation.

UNIVERSITY OF ALBERTA 1991 FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Surplus
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Trustees of the
University of Alberta 1991 Foundation

I have audited the balance sheet of the University of Alberta 1991 Foundation as at March 31, 1995 and the statement of revenue, expenditure and surplus for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
July 12, 1995

UNIVERSITY OF ALBERTA 1991 FOUNDATION
BALANCE SHEET
AS AT MARCH 31, 1995

	1995	1994
	ASSETS	
Cash	<u>\$91,214</u>	<u>\$82,741</u>
	SURPLUS	
Surplus	<u>\$91,214</u>	<u>\$82,741</u>

The accompanying notes are part
of these financial statements.

UNIVERSITY OF ALBERTA 1991 FOUNDATION
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
	REVENUE	
Donations	\$1,857,556	\$2,607,000
Interest	8,535	18,020
	<u>1,866,091</u>	<u>2,625,020</u>
	EXPENDITURE	
Grants to The University of Alberta	1,857,556	3,107,000
Administration expenses	62	126
	<u>1,857,618</u>	<u>3,107,126</u>
Excess (deficiency) of revenue over expenditure	8,473	(482,106)
Surplus at beginning of year	82,741	564,847
Surplus at end of year	<u>\$ 91,214</u>	<u>\$ 82,741</u>

UNIVERSITY OF ALBERTA 1991 FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The University of Alberta 1991 Foundation (the "Foundation") operates under the authority of the Advanced Education Foundation Act, A-2.5, Statutes of Alberta 1991. The Foundation operates as a Crown corporation to receive gifts and donations and to provide grants to The University of Alberta. The Foundation is an agent of the Crown in right of Alberta and is exempt from payment of income taxes.

Note 2 Significant Accounting Policies

(a) Donations

Donations are reported as revenue when received. Donations of real property are recorded at fair market value at the time of receipt.

(b) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Administration Costs

Certain salary, accommodation and other costs incurred in the administration of the Foundation have been borne by The University of Alberta and are not reflected in these financial statements.

Note 4 Approval of Financial Statements

These financial statements were reviewed by management and recommended for approval to the Foundation's Board of Trustees.

THE UNIVERSITY OF CALGARY
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Revenue, Expense and Changes in Accumulated
Operating Deficit

Consolidated Statement of Changes in Financial Position

Notes to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
The University of Calgary

I have audited the consolidated statement of financial position of The University of Calgary as at March 31, 1995 and the consolidated statements of revenue, expense and changes in accumulated operating deficit and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 8, 1995

THE UNIVERSITY OF CALGARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 1995
(thousands of dollars)

ASSETS		
	1995	1994
Current assets:		
Cash	\$ 725	\$ 2,023
Investments (Note 4)	97,081	89,274
Accounts receivable	20,011	21,589
Merchandise inventories	2,647	2,511
Prepaid expenses	2,405	1,669
	<u>122,869</u>	<u>117,066</u>
Long-term investments (Note 4)	133,519	123,183
Capital assets (Note 5)	<u>450,381</u>	<u>448,380</u>
	<u>\$706,769</u>	<u>\$688,629</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued charges	\$ 31,929	\$ 34,113
Unearned revenue	3,203	3,397
Funds held on behalf of others	1,269	3,847
Current portion of long-term liabilities (Note 6)	6,104	5,074
Deferred contributions (Note 7)	63,700	63,397
	<u>106,205</u>	<u>109,828</u>
Long-term liabilities (Note 6)	<u>72,355</u>	<u>71,150</u>
Unamortized deferred capital contributions (Note 7)	<u>397,971</u>	<u>404,185</u>
Equity:		
Endowment principal	133,519	123,183
Accumulated operating deficit	(3,281)	(19,717)
	<u>130,238</u>	<u>103,466</u>
	<u>\$706,769</u>	<u>\$688,629</u>

The accompanying notes are part of
these consolidated financial statements.

THE UNIVERSITY OF CALGARY
CONSOLIDATED STATEMENT OF REVENUE, EXPENSE AND CHANGES IN
ACCUMULATED OPERATING DEFICIT
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Revenue:		
Government grants - core programme	\$151,883	\$164,241
Government grants - other	45,678	43,571
Tuition and related fees	47,857	44,416
Sales of services and products	46,962	47,629
Donations and other grants	24,246	23,748
Investment income	9,627	10,366
Earned capital contributions (Note 2(b))	27,997	25,549
	<u>354,250</u>	<u>359,520</u>
Expense:		
Salaries and benefits (Note 8)	231,624	251,995
Materials, supplies and services	37,035	36,361
Amortization of capital assets (Note 2(b))	33,036	30,425
Cost of goods sold	22,315	20,426
Maintenance and repairs	14,143	13,716
Travel	10,454	10,107
Utilities	10,382	10,254
Scholarships, grants and awards	5,790	5,646
Communication and publications	3,530	3,096
Financing and insurance	2,510	3,364
Cost recoveries (Note 9)	(24,997)	(22,998)
	<u>345,822</u>	<u>362,392</u>
Excess (deficiency) of revenue over expense	8,428	(2,872)
Donated land (Note 5(b))	8,008	1,852
Accumulated operating deficit, beginning of year, as restated (Note 3)	(19,717)	(18,697)
Accumulated operating deficit, end of year	<u>\$ (3,281)</u>	<u>\$ (19,717)</u>

THE UNIVERSITY OF CALGARY
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Cash provided from (used in) operating activities:		
Excess (deficiency) of revenue over expense	\$ 8,428	\$ (2,872)
Items not affecting cash flow:		
Amortization of capital assets	33,036	30,425
Earned capital contributions	(27,997)	(25,549)
Deferred capital contributions	21,783	30,600
Increase in non-cash working capital	(10,724)	(945)
	<u>24,526</u>	<u>31,659</u>
Cash provided from (used in) investing activities:		
Purchase of capital assets	(27,421)	(35,178)
Proceeds of disposal of capital assets	392	253
Increase in long-term investments	(10,336)	(13,097)
	<u>(37,365)</u>	<u>(48,022)</u>
Cash provided from financing activities:		
Increase in long-term liabilities	1,205	3,734
Endowment contributions	10,336	13,097
	<u>11,541</u>	<u>16,831</u>
Increase (decrease) in cash	(1,298)	468
Cash, beginning of year	2,023	1,555
Cash, end of year	<u>\$ 725</u>	<u>\$ 2,023</u>

THE UNIVERSITY OF CALGARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995
(thousands of dollars)

Note 1 Authority and Purpose

The University of Calgary (the "University") operates under the authority of The Universities Act, Chapter U-5, Revised Statutes of Alberta 1980. It is a Board-governed, comprehensive research university offering undergraduate and graduate degree programs as well as a full range of continuing education programs and activities. The University is a registered charity and is therefore exempt from the payment of income tax under Section 149 of the Income Tax Act. The tax exemption does not extend to its wholly owned subsidiary, University Technologies International Inc. (UTI).

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Consolidated Statements

These financial statements include the accounts of two wholly-owned subsidiaries being University Technologies International Inc. (UTI), and Calgary Ambulatory Care Clinic Limited (CACCL), and the controlled non-profit organization, The Arctic Institute of North America (AINA). UTI is incorporated under the Canada Business Corporations Act to facilitate transfer of intellectual property from the University to private business. CACCL was created to administer the financial operations of the University of Calgary Medical Clinic. AINA operates under the authority of an Act of the Federal Parliament (9-10 George VI, Chapter 45) to initiate, encourage and support northern research and to advance the study of arctic conditions and problems.

(b) Revenue Recognition

Operating grants are recognized as revenue, either in the period received, or, where a portion of the grant relates to a future period, it is deferred and recognized in the subsequent period.

Capital grants are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded. The related portion of amortization expense and the deferred capital contributions revenue are matched to indicate that the related amortization expense has been funded.

Unrestricted cash donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Externally restricted non-capital contributions are deferred and are recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for the purposes designated by external parties. Any externally restricted contributions containing stipulations that the amounts should be retained as net assets or that the contributions should not be expended are recorded as direct increases in net assets.

Amounts received for tuition fees, and sales of services and products are classified as unearned and recognized as revenue at the time the products are delivered or the services are substantially provided.

(c) Investments

Investments are recorded at cost. Gains on sales of investments are recognized in the year of disposal. Losses are recognized in the year of disposal or when there is a significant and permanent impairment in the value.

(d) Capital Assets

Capital asset acquisitions are recorded at cost, except donated assets which are recorded at fair value. Amortization is recorded on a straight-line basis over the assets' estimated useful lives, which are sixty years for buildings, twenty years for site improvements and utilities, and an average of ten years for furnishings, equipment, library acquisitions, and patents.

(e) Merchandise Inventories

Merchandise inventories are valued at the lower of cost and net realizable value.

(f) Pension

Pension costs consist of the employer's share of the cost of pension obligations earned by employees during the year and interest on the unfunded pension liability.

Note 3 Changes in Accounting Policy, Presentation Practice and Prior Period Adjustments

(a) Presentation Practice

In prior years, the financial statements were prepared in accordance with the principles of fund accounting. Commencing 1995, the financial statements are prepared on a non-fund basis.

(b) Equity in Subsidiary

In prior years, the University did not record its investments in the Arctic Institute of North America. Commencing in 1995, the University has retroactively recorded its investment in this subsidiary using the equity method. This change has the effect of decreasing the opening accumulated operating deficit by \$820 (1994 \$723).

(c) Amortization of Library Books

In prior years, library books were recorded as an expense in the year of acquisition. These acquisitions were then capitalized, but no amortization was recorded. In 1995, the University retroactively changed its accounting policy to one of capitalization and amortization. This change has had the effect of increasing amortization expense by \$3,165 (1994 \$3,058), decreasing library book expenses by \$3,591 (1994 \$3,812), and decreasing capital assets by \$61,581 (1994 \$58,416).

(d) Academic Vacation Accrual

In 1993, the University changed its accounting policies to include an accrual for vacation pay for support staff. Commencing in 1995, this policy has been retroactively extended to include an accrual for vacation pay for academic staff as well. This change has the effect of decreasing salary expense by \$220 (1994 \$192), and increasing current liabilities by \$5,588 (1994 \$5,808).

(e) Deferred Contributions

In prior years, contributions were recognized as revenue when received. During the year the University retroactively changed to the accounting policy described in Note 2(b). The change has had the effect of increasing deferred contributions and decreasing net assets by \$63,700 (1994 \$63,397).

(f) Unamortized Deferred Capital Contributions

In prior years, capital grants, gifts of capital assets, and other contributions for capital assets were recognized when received. During the year the University retroactively changed its method of accounting for these contributions to the policy described in Note 2(b). This change has the effect of increasing unamortized deferred capital contributions by \$397,971 (1994 \$404,185), and increasing revenue by \$27,997 (1994 \$25,549).

(g) Donated Land

In 1994 land was transferred from the Province of Alberta to the University at a nominal cost of one dollar. This year the University has retroactively recorded the land at an estimated fair value, increasing capital assets and investment in capital asset balances by \$1,852.

(h) Early Retirement Incentive Plans

In prior years, liabilities for early retirement incentive plans were recorded at face value. During 1995, the University retroactively changed to account for early retirement incentive plan liabilities at present values. This change has the effect of decreasing expense by \$1,439 (1994 \$3,741) and long-term liabilities by \$7,520 (1994 \$6,081).

The effect of the above changes on operating net assets at the beginning of year on the Statement of Revenue, Expense and Changes in Accumulated Operating Deficit is as follows:

	1995	1994
Fund balances excluding endowment, beginning of year,		
as previously reported	\$503,336	\$496,979
Equity in subsidiary	820	723
Amortization of library books	(58,416)	(55,358)
Academic vacation accrual	(5,808)	(6,000)
Deferred contributions	(63,397)	(58,247)
Unamortized deferred capital contributions	(404,185)	(399,134)
Donated land	1,852	—
Early retirement incentive plans	6,081	2,340
Accumulated operating deficit, beginning of year, as restated	<u>\$ (19,717)</u>	<u>\$ (18,697)</u>

Note 4 Investments

Investments are summarized as follows:

	1995				1994	
	Cost		Market		Cost	Market
	Short-term Deposits	Bonds and Debentures	Shares	Total		
Current	\$ 72,599	\$ 24,482	\$ —	\$ 97,081	\$ 99,896	\$ 89,274
Long-term	\$ 12,873	\$ 59,909	\$ 60,737	\$ 133,519	\$ 140,483	\$ 123,183
					\$ 123,183	\$ 135,071

Note 5 Capital Assets

(a) Summary of Capital Assets

	1995		1994	
	Cost	Accumulated Amortization	Net	Net
Land, buildings and plant	\$510,174	\$135,801	\$374,373	\$372,270
Furnishings and equipment	200,976	140,889	60,087	60,705
Library	77,037	61,581	15,456	14,968
Patents	598	133	465	437
	<u>\$788,785</u>	<u>\$338,404</u>	<u>\$450,381</u>	<u>\$448,380</u>

(b) Donated Assets

Capital asset acquisitions during the year included donations-in-kind in the amount of \$9,539 (1994 \$2,014). Included in this amount is land valued at \$8,008 (1994 \$1,852) transferred from the Province of Alberta.

(c) Capital Asset Write downs

During the year the University increased its minimum value required for classification as a capital asset from five hundred to one thousand dollars. This resulted in asset write downs, net of accumulated amortization, of \$2,992.

Note 6 Long-term Liabilities

	Rate of Interest	Original Advance	Amount Outstanding	
			1995	1994
Debenture for Varsity Courts, due November 1, 2005	7 7/8%	\$ 3,714	\$ 2,223	\$ 2,354
Debenture for car park in MacEwan Student Centre, due October 1, 2006	9 3/4%	1,900	1,513	1,579
Debenture for Art Building, due December 15, 2006	9 3/4% - 10%	11,700	9,329	9,731
Debenture for Norquay, Brewster and Castle Halls, due January 15, 2007	9 3/4%	3,953	3,148	3,284
Mortgage for the Dining Centre, Kananaskis and Rundle Halls, due March 1, 2016	5 1/8%	2,165	1,536	1,576
			17,749	18,524
Early retirement incentive plans			15,859	19,142
Pension obligations (Note 10)			44,851	38,558
			78,459	76,224
Current portion			(6,104)	(5,074)
			<u>\$72,355</u>	<u>\$71,150</u>

All debentures are secured by land. The mortgage is secured by land and is guaranteed by the Province of Alberta.

Principal payments on the mortgage and debentures during the next five fiscal years will be as follows: 1996 \$846; 1997 \$925; 1998 \$1,011; 1999 \$1,104; 2000 \$1,207.

During the year, interest on long-term debt amounting to \$1,685 (1994 \$1,735) has been charged to expense.

Early retirement incentive plans are payable over various periods extending up to the year 2009. Payments to be made during the next five fiscal years are: 1996 \$5,258; 1997 \$2,955; 1998 \$7,843; 1999 \$1,871; 2000 \$1,593.

Pension obligations under the Public Service Pension Plan and the Universities Academic Pension Plan are not expected to decline over the next several years. The liability is expected to be discharged over a period of approximately fifty years.

Note 7 Deferred Contributions and Unamortized Deferred Capital Contributions

Changes in deferred contributions and unamortized deferred capital contributions are as follows:

	1995		1994	
	Deferred Contributions	Unamortized Deferred Capital Contributions	Deferred Contributions	Unamortized Deferred Capital Contributions
Balance, beginning of year, as restated (Note 3)	\$ 63,397	\$404,185	\$ 58,247	\$399,134
Contributions received during the year:				
Government grants	208,794	—	231,039	—
Investment income, donations and contributions	55,062	—	59,734	—
Transferred to revenue:				
Government grants	(197,561)	—	(207,812)	—
Investment income, donations and contributions	(33,873)	—	(34,114)	—
Amortization of assets acquired from capital contributions	—	(27,997)	—	(25,549)
Transferred to endowments	(10,336)	—	(13,097)	—
Transferred to acquire capital assets	(21,783)	21,783	(30,600)	30,600
Balance, end of year	<u>\$ 63,700</u>	<u>\$397,971</u>	<u>\$ 63,397</u>	<u>\$404,185</u>

Note 8 Salaries and Benefits

	1995					1994				
	Staff					Staff				
	No. ⁽¹⁾	Average Salary	Salaries ⁽²⁾	Benefits and Allowances ⁽³⁾	Total	No.	Average Salary	Salaries	Benefits and Allowances	Total
Chairman of the Board of Governors	1		\$ —	\$ —	\$ —	1		\$ —	\$ —	\$ —
Members of the Board of Governors	19		—	—	—	19		—	—	—
President	1		157	12	169	1		165	11	176
Vice Presidents:										
Academic and Provost	1		136	11	147	1		143	10	153
Finance and Services	1		131	14	145	1		138	13	151
Research	1		125	11	136	1		131	13	144
Associate Vice President and Chief Academic Officer - Student Affairs	1		105	12	117	1		108	10	118
Academic staff:										
Full-time	1,270	\$80	86,928	14,930	101,858	1,305	\$82	91,889	15,911	107,800
Part-time, sessional and other			18,186	711	18,897			19,107	781	19,888
Recoveries ⁽⁴⁾			(16,877)	(2,777)	(19,654)			(16,755)	(2,781)	(19,536)
Support staff:										
Full-time (Alberta Union of Provincial Employees)	1,252	35	37,272	6,678	43,950	1,350	36	41,317	7,342	48,659
Full-time (Administrative and Professional Support Staff Association)	480	48	19,925	3,327	23,252	480	50	20,788	3,347	24,135
Part-time, sessional and other			10,795	545	11,340			10,324	482	10,806
Recoveries ⁽⁴⁾			(1,721)	(301)	(2,022)			(1,954)	(334)	(2,288)
Project staff			41,501	3,830	45,331			41,452	3,799	45,251
Benefits/Retirement programs:										
Early retirement and severance allowances			2,950	420	3,370			13,317	1,702	15,019
Pension obligations			—	5,704	5,704			—	2,606	2,606
Other			(543)	(573)	(1,116)			(222)	(865)	(1,087)
			<u>\$199,070</u>	<u>\$32,554</u>	<u>\$231,624</u>			<u>\$219,948</u>	<u>\$32,047</u>	<u>\$251,995</u>

(1) Staff Numbers

Staff numbers are as of December 1.

(2) Salaries

Salaries include honoraria, overtime, premiums, shift differential, and all similar compensation amounts.

(3) Benefits and Allowances

Benefits and allowances for all groups include unemployment insurance, workers' compensation and Canada Pension Plan.

Benefits for all full-time staff include the above, plus pension plan contributions, Alberta Health Care, life insurance, extended health care, long-term disability and dental plan.

Benefits for the President, Vice Presidents and all full-time academic staff also include Professional Expense Allowance.

Benefits reported for the President do not include personal use of a University residence.

Benefits reported for the President and Vice Presidents do not include their personal use of University vehicles.

(4) Recoveries

Recoveries represent salary and benefit costs that the University has billed and recovered from outside agencies, primarily hospitals.

Note 9 Cost Recoveries

Cost recoveries are internal sales of services and products among the various units within the University. These include salaries, supplies, materials, and utilities principally at cost.

Note 10 Pension Liability

The University and its employees participate with other employers in two defined benefit pension plans. The Public Service Pension Plan and the Universities Academic Pension Plan provide pensions for the University's employees based on length of service and earnings. During 1993, the Legislature passed the Public Sector Pension Plans Act which determined the amount of the unfunded pension liabilities that will be funded by employers. The plans are expected to be fully funded through contributions by the employer, employees, and the Province of Alberta by December 31, 2036 (Public) and December 31, 2043 (Academic).

The total unfunded pension liability for each plan as at March 31, 1995 was determined by actuarial valuations, as at December 31, 1993 for the Public Service Pension Plan and as at December 31, 1994 for the Universities Academic Pension Plan, both extrapolated to March 31, 1995. The 1994 comparative figures were based on extrapolations of December 31, 1991 actuarial valuations.

The Public Sector Pension Plans Act specifies the basis for determining the amount of the total unfunded liability for each plan that will be funded by employers. The University's portion of the employers' liabilities is based on the University's percentage of the total pensionable payroll of all employers.

	<u>1995</u>	<u>1994</u>
Public Service Pension Plan	\$ 7,495	\$ 4,743
Universities Academic Pension Plan	<u>37,356</u>	<u>33,815</u>
	<u>\$44,851</u>	<u>\$38,558</u>

Note 11 Pledges

Pledges to the University at March 31, 1995 were \$13,728 (1994 \$14,951). These pledges are expected to be honoured over the next six years and have not been recorded as receivable.

Note 12 Operating Budget

On June 29, 1994 the Board of Governors approved a budget related to the University's core operating programs. The amended budget is presented for comparison to actual results. The budget excludes sponsored research and other projects as well as amortization expense of capital assets.

	1995			1994	
	Core Operating		Sponsored Research and Other Projects	Total	Actual
	Budget	Actual	Actual	Actual	
Revenue:					
Government grants	\$150,389	\$151,883	\$ 45,678	\$197,561	\$207,812
Tuition and related fees	48,617	47,857	—	47,857	44,416
Sales of services and products	47,465	46,857	105	46,962	47,629
Donations and other grants	1,805	1,840	22,406	24,246	23,748
Investment income	987	3,897	5,730	9,627	10,366
Earned capital contributions	—	27,997	—	27,997	25,549
	<u>249,263</u>	<u>280,331</u>	<u>73,919</u>	<u>354,250</u>	<u>359,520</u>
Expense:					
Salaries and benefits	190,171	185,575	46,049	231,624	251,995
Materials, supplies and services	23,643	19,488	17,547	37,035	36,361
Amortization of capital assets	—	33,036	—	33,036	30,425
Cost of goods sold	21,585	22,315	—	22,315	20,426
Maintenance and repairs	14,721	13,740	403	14,143	13,716
Travel	2,823	3,255	7,199	10,454	10,107
Utilities	10,633	10,381	1	10,382	10,254
Scholarships, grants and awards	1,863	1,462	4,328	5,790	5,646
Communications and publications	2,986	3,422	108	3,530	3,096
Financing and insurance	3,154	2,477	33	2,510	3,364
Cost recoveries	(22,316)	(24,947)	(50)	(24,997)	(22,998)
	<u>249,263</u>	<u>270,204</u>	<u>75,618</u>	<u>345,822</u>	<u>362,392</u>
Excess (deficiency) of revenue over expense	<u>\$ —</u>	<u>\$ 10,127</u>	<u>\$ (1,699)</u>	<u>\$ 8,428</u>	<u>\$ (2,872)</u>

Note 13 Contingent Liabilities

The University is a defendant in a number of legal proceedings. Claims against the University in these proceedings, the total of which is substantial, have not been reflected in these financial statements. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of the University and its legal counsel that the resolution of these claims will not have a material effect on the financial position of the University.

Note 14 Related Party Transactions

The University of Calgary Foundation is an agent of Her Majesty the Queen in the right of the Province of Alberta and operates to receive gifts and donations and to provide grants to the University.

During the year, the University received grants from the Foundation totalling \$2,835 (1994 \$1,606). At March 31, the University was holding \$492 (1994 \$2,046) on behalf of the Foundation.

Note 15 Comparative Figures

Certain 1994 figures have been reclassified to conform to the 1995 presentation.

Note 16 Approval of Financial Statements

The Audit Committee has reviewed these financial statements and recommended their approval to the University Board of Governors.

UNIVERSITY OF CALGARY FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Surplus
Statement of Changes in Financial Position
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Trustees of University of Calgary Foundation

I have audited the balance sheet of University of Calgary Foundation as at March 31, 1995 and the statements of revenue, expenditure and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 5, 1995

UNIVERSITY OF CALGARY FOUNDATION
BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Deposits in trust with The University of Calgary	\$ 467,954	\$2,046,150
Donated investments (Note 3)	2,763,602	1,226,505
Accrued interest	72,926	13,966
	<u>\$3,304,482</u>	<u>\$3,286,621</u>
SURPLUS		
Surplus	<u>\$3,304,482</u>	<u>\$3,286,621</u>

The accompanying notes are part
of these financial statements.

UNIVERSITY OF CALGARY FOUNDATION
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
REVENUE		
Donations:		
Cash	\$ 495,000	\$3,520,376
Investments	2,300,000	1,263,279
Gifts in kind	70,471	38,256
Interest	183,201	71,832
	<u>3,048,672</u>	<u>4,893,743</u>
EXPENDITURE		
Grants to The University of Calgary:		
Cash	2,735,000	1,567,250
Investments	30,000	—
Gifts in kind	70,471	38,256
Unrealized loss on donated investments	120,387	36,774
Loss on sale of investments	22,541	—
Professional fees	28,562	86,465
Office supplies and services (Note 4)	23,850	259
	<u>3,030,811</u>	<u>1,729,004</u>
Excess of revenue over expenditure	17,861	3,164,739
Surplus at beginning of year	3,286,621	121,882
Surplus at end of year	<u>\$3,304,482</u>	<u>\$3,286,621</u>

UNIVERSITY OF CALGARY FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Cash provided from (used in) operating activities:		
Excess of revenue over expenditure	\$ 17,861	\$ 3,164,739
Unrealized loss on donated investments	<u>120,387</u>	<u>36,774</u>
	138,248	3,201,513
Changes in non-cash working capital:		
Accrued interest	<u>(58,960)</u>	<u>(13,966)</u>
	79,288	3,187,547
Cash provided from (used in) investing activities:		
Investments acquired	(2,300,000)	(1,263,279)
Investments realized	<u>642,516</u>	<u>—</u>
	(1,657,484)	(1,263,279)
Increase (decrease) in deposits in trust with The University of Calgary	(1,578,196)	1,924,268
Deposit in trust with The University of Calgary at beginning of year	<u>2,046,150</u>	<u>121,882</u>
Deposit in trust with The University of Calgary at end of year	<u>\$ 467,954</u>	<u>\$ 2,046,150</u>

UNIVERSITY OF CALGARY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The University of Calgary Foundation operates under the authority of the Advanced Education Foundations Act, A-2.5, Statutes of Alberta 1991 and is an agent of the Crown in right of Alberta. The Foundation was formed to receive donations and to make grants to The University of Calgary, and is exempt from the payment of income taxes.

Note 2 Significant Accounting Policies

(a) Donations Revenue

Donations and bequests are reported as revenue when received.

(b) Donated Investments

Donated investments are recorded at appraised value when received. Subsequently, investments are valued at the lower of donated value or current fair value based on the discounted value of the expected stream of cash flows derived from the donated investments.

Note 3 Donated Investments

The following donated investments were held by the Foundation at March 31, 1995:

	Donated Value		Lower of Donated and Current Fair Value	
	1995	1994	1995	1994
\$500,000 6% Debenture	\$ 511,264	\$ 511,264	\$ 369,231	\$ 485,003
\$2,000,000 8.5% Debenture	2,000,000	—	2,000,000	—
\$300,000 8.0% Debentures	300,000	—	295,385	—
Promissory notes, non-interest bearing	98,986	561,635	98,986	561,635
500 units - World Invest Income Fund	—	190,380	—	179,867
	<u>\$2,910,250</u>	<u>\$1,263,279</u>	<u>\$2,763,602</u>	<u>\$1,226,505</u>

The Foundation intends to transfer the debentures to The University of Calgary and to liquidate the other securities within the next twelve months.

Note 4 Related Party Transactions

The University of Calgary provides office, accounting and fund-raising consulting services to the Foundation. For the year ended March 31, 1995 the Foundation paid \$23,600 for these services.

Note 5 Budget

The Foundation's revenues depend on philanthropy and, as such, are difficult to estimate. Most of the Foundation's expenditures are associated with revenues and are similarly difficult to budget. For these reasons, development of operating budgets is not considered useful, and accordingly comparative budget figures are not included in these financial statements.

Note 6 Approval of Financial Statements

These financial statements were reviewed by management and recommended to the Board of the Foundation for approval.

THE UNIVERSITY OF LETHBRIDGE
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Operations
Statement of Changes in Financial Position
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Governors of
The University of Lethbridge

I have audited the statement of financial position of The University of Lethbridge as at March 31, 1995 and the statements of changes in net assets, operations and changes in financial position for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 6, 1995

THE UNIVERSITY OF LETHBRIDGE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 1995
(thousands of dollars)

	1995	1994
ASSETS		
Current assets:		
Cash and short-term investments	\$ 9,012	\$ 7,400
Accounts receivable	1,674	1,463
Inventories	448	438
Prepaid expenses	401	485
	<u>11,535</u>	<u>9,786</u>
Investments (Note 4)	16,292	13,732
Capital assets (Note 5)	109,201	107,345
	<u>\$137,028</u>	<u>\$130,863</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 1,744	\$ 1,508
Accrued vacation pay	982	569
Deferred revenue	686	561
Current portion of long-term liabilities	1,060	1,006
	<u>4,472</u>	<u>3,644</u>
Long-term liabilities:		
Long-term debt (Note 6)	956	1,063
Accrued liabilities (Note 7)	1,339	1,211
Unfunded staff benefits (Note 8)	13,917	10,547
	<u>16,212</u>	<u>12,821</u>
Net assets:		
Investment in capital assets	108,138	106,183
Fund balances (Note 9)		
Operating	(3,188)	(11,067)
Restricted	11,394	10,644
Appropriated for specific purposes	—	8,638
	<u>116,344</u>	<u>114,398</u>
	<u>\$137,028</u>	<u>\$130,863</u>

The accompanying notes are part
of these financial statements.

THE UNIVERSITY OF LETHBRIDGE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995					1994
	Investment in Capital Assets	Operating	Restricted	Appropriated for Specific Purposes	Total	Total
Balance, beginning of year						
As previously reported	\$106,183	\$ (12,007)	\$ 10,644	\$ 8,638	\$113,458	\$109,464
Prior period adjustment (Note 3)	—	940	—	—	940	1,203
As restated	106,183	(11,067)	10,644	8,638	114,398	110,667
Capital transactions (Note 10)	1,955	2,089	(312)	—	3,732	1,890
Net income (loss)	—	(2,927)	1,141	—	(1,786)	1,841
Interfund transfers (Note 11)	—	79	(79)	—	—	—
Reallocation to operating fund	—	8,638	—	(8,638)	—	—
Balance, end of year	<u>\$108,138</u>	<u>\$ (3,188)</u>	<u>\$ 11,394</u>	<u>\$ —</u>	<u>\$116,344</u>	<u>\$114,398</u>

THE UNIVERSITY OF LETHBRIDGE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995				1994
	Operating				Total
	Budget	Actual	Restricted	Total	Total
Revenue:					
Grants	\$31,472	\$31,483	\$ 2,025	\$33,508	\$37,603
Gifts and donations	—	47	1,224	1,271	392
Tuition and related fees	11,040	13,269	22	13,291	11,195
Sales of services and products	5,701	5,682	—	5,682	5,428
Investment income	381	528	471	999	1,229
Miscellaneous	412	1,079	659	1,738	2,307
	<u>49,006</u>	<u>52,088</u>	<u>4,401</u>	<u>56,489</u>	<u>58,154</u>
Expenses:					
Salaries (Note 13)	34,116	30,744	1,192	31,936	34,582
Employee benefits (Note 13)	5,825	5,849	67	5,916	5,545
Early retirement benefits	—	3,324	—	3,324	—
Past service pension	—	694	—	694	500
Scholarships and bursaries	—	85	537	622	561
Supplies and sundries	1,875	3,439	1,012	4,451	3,579
Cost of goods sold	1,621	1,810	—	1,810	1,604
Utilities	1,532	1,381	3	1,384	1,355
External contracted services	933	1,298	—	1,298	1,237
Travel	941	882	443	1,325	1,575
Property taxes	180	175	—	175	180
Professional fees	161	79	6	85	120
Insurance	109	128	—	128	119
Interest	94	333	—	333	365
Amortization of capital assets	—	4,794	—	4,794	4,991
	<u>47,387</u>	<u>55,015</u>	<u>3,260</u>	<u>58,275</u>	<u>56,313</u>
Net income (loss)	<u>\$ 1,619</u>	<u>\$ (2,927)</u>	<u>\$ 1,141</u>	<u>\$ (1,786)</u>	<u>\$ 1,841</u>

THE UNIVERSITY OF LETHBRIDGE
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Cash provided by (used in):		
Operating activities		
Net income (loss)	\$ (1,786)	\$ 1,841
Items not involving cash:		
Amortization	4,794	4,991
Unfunded staff benefits	3,551	313
Accrued liabilities	(7)	553
	<u>6,552</u>	<u>7,698</u>
Increase in non-cash working capital	<u>637</u>	<u>807</u>
	<u>7,189</u>	<u>8,505</u>
Investing activities		
Capital donations and grants	3,809	3,984
Capital asset acquisitions	(6,727)	(7,447)
Purchase of investments, net	(2,560)	(6,697)
	<u>(5,478)</u>	<u>(10,160)</u>
Financing activities		
Long-term debt repayment	(99)	(91)
Net increase (decrease) in cash and short-term investments	<u>1,612</u>	<u>(1,746)</u>
Cash and short-term investments, beginning of year	<u>7,400</u>	<u>9,146</u>
Cash and short-term investments, end of year	<u>\$ 9,012</u>	<u>\$ 7,400</u>

THE UNIVERSITY OF LETHBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The University of Lethbridge (the "University") operates under the authority of the Universities Act, Chapter U-5, Revised Statutes of Alberta 1980. The University is dedicated to quality undergraduate studies in the tradition of liberal education.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Fund Accounting

The accounts of the University are maintained in accordance with the principles of fund accounting.

Funds are classified as operating, being unrestricted, or restricted. An unrestricted fund has no expenditure constraints established and a restricted fund is one where the expenditures must fall within the constraints established by the donor or agency providing the funds.

For financial reporting purposes, accounts with similar characteristics have been combined into the following major fund groupings:

Operating:	General operating Ancillary operations Capital
Restricted:	Sponsored research Special purpose and endowment

The special purpose and endowment fund may be used in its entirety within the restrictions established by the donor or agency providing the funds, except for the endowment original balances which cannot be expended.

(c) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost.

(d) Investments

Investments are recorded at cost or amortized cost where applicable. Amortization of premiums or discounts are calculated on a straight-line basis from acquisition date to maturity. Gains or losses are recognized in the year of disposal or when there is a permanent impairment in the value of the investment.

(e) Capital Assets

Capital assets purchased by the University are recorded at cost.

Only capital assets with a value of \$500 or more are capitalized.

Capital assets disposed of are removed from the accounts at their net book value. Proceeds on disposal of capital assets are recorded as miscellaneous income in the operating fund.

Donated assets are recorded at fair values and are reflected in the statement of changes in net assets as increases in investment in capital assets.

Amortization is recorded on a straight-line basis over the assets' estimated useful lives. The estimated useful lives are as follows:

Land improvements	10-25 years
Buildings	60 years
Leasehold improvements	15 years
Furnishings and equipment	5-10 years
Computer equipment	3-5 years
Electrical equipment	20 years
Software	3-5 years
Vehicles	6 years
Learning resources	10 years

Library books, which are a part of learning resources, are further reduced by a provision calculated at 3/4 of one percent of the net capitalized value of library holdings at the end of the preceding year. This provision recognizes the cost of items removed from the library collection as a result of disposals or withdrawals.

(f) Pension Liability

The University and its eligible employees participate in either the Public Service Pension Plan or the Universities Academic Pension Plan. These plans provide pensions for the University's employees based on years of service and earnings.

The total unfunded pension liability for each plan was determined by an actuarial valuation as at December 31, 1993 for the Public Service plan and as at December 31, 1994 for the Universities Academic plan, both extrapolated to March 31, 1995. The 1994 comparative figures were based on extrapolations of December 31, 1991 actuarial valuations. The unfunded liability is to be eliminated on or before December 31, 2036 for the Public Service plan and December 31, 2043 for the Universities Academic plan.

The Public Sector Pension Plans Act specifies the basis to determine the amount of the total unfunded liability for each plan which will be funded by employers. The University's pension liability is its portion of each plan's total unfunded pension liability, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations. The portion is based upon the ratio of pensionable earnings of the University's employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

Past service pension expenses include interest on the unfunded pension liability, the amortization of deferred adjustments over the expected average remaining service lives of employees and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

(g) Ancillary Operations

Ancillary operations are identified as the following:

- Bookstore
- Food services
- Printing services
- Housing services
- Conference services
- Athletic services
- Recreation services

Ancillary operations provide goods and services to the University community. These operations operate on a breakeven basis and are assessed overhead costs, such as administration, interest and space rental.

(h) Income Tax

Under Section 149(1)(1) of the Income Tax Act, the University is exempt from income taxes.

(i) Revenue Recognition and Contributions

Donations are recorded as revenue in the fiscal period in which they are received. Endowment contributions are recorded as revenue in the restricted fund. Capital donations are recorded as a direct increase to the investment in capital assets.

(j) Operating Budget

The operating budget shown in the financial statements is the original budget approved by the Board of Governors. The budget excluded amortization expense, expenditures from departmental appropriations and changes in unfunded staff benefits liability.

(k) Contributed Services

Volunteers as well as members of the staff of the University contribute an indeterminable number of hours per year to assist the Institution in carrying out its mission of post secondary and graduate education, research and public service. Such contributed services are not recognized in the financial statements.

Note 3 Prior Period Adjustment

The University has offered several programs for early retirement and provided for the cost of these programs in the year in which the individual programs were approved by the Board of Governors. The programs provide for the payment of retirement allowances over a period of up to ten years. The provisions made in the fiscal years 1990 and 1993 were determined as the total payments to be made, rather than the present value thereof. The adjustment to prior periods gives recognition to the present value of the payments due.

At March 31, 1994, unfunded staff benefits and operating fund deficit were overstated by \$940,000. Interest expense for the year ended March 31, 1994 was understated by \$263,000.

Note 4 Investments

	1995		1994	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
	(thousands of dollars)			
Cash and short-term deposits	\$ 1,070	\$ 1,070	\$ 1,330	\$ 1,330
Bonds and debentures	8,088	8,101	6,249	6,114
Shares	7,052	7,446	6,070	6,263
Other investments	82	82	83	83
	<u>\$16,292</u>	<u>\$16,699</u>	<u>\$13,732</u>	<u>\$13,790</u>

Note 5 Capital Assets

	1995		1994	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
	(thousands of dollars)			
Land	\$ 768	\$ —	\$ 768	\$ 768
Buildings and land improvements	97,514	21,848	75,666	76,086
Furnishings and equipment	30,184	19,414	10,770	11,742
Works of art	17,853	—	17,853	14,771
Learning resources	13,592	9,448	4,144	3,978
	<u>\$159,911</u>	<u>\$ 50,710</u>	<u>\$109,201</u>	<u>\$107,345</u>

Note 6 Long-Term Debt

	<u>Rate of Interest</u>	<u>Original Advance</u>	<u>Amount Outstanding</u>	
			<u>1995</u>	<u>1994</u>
	(thousands of dollars)			
Canada Mortgage and Housing Corporation debenture February 1, 2003	8.25%	\$2,300	\$1,063	\$1,162
Less current portion			107	99
			<u>\$ 956</u>	<u>\$1,063</u>

The debenture is guaranteed by the Province of Alberta.

Payments in the next five years are approximately as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	(thousands of dollars)		
1996	\$107	\$ 86	\$193
1997	115	78	193
1998	125	68	193
1999	135	58	193
2000	147	46	193

Note 7 Accrued Liabilities

	<u>1995</u>	<u>1994</u>
	(thousands of dollars)	
Administrative leave benefits	\$1,370	\$1,387
Supplementary pension plan	33	23
	1,403	1,410
Less current portion	64	199
	<u>\$1,339</u>	<u>\$1,211</u>

Payments in the next five years are approximately as follows:

	(thousands of dollars)
1996	\$ 64
1997	116
1998	317
1999	344
2000	235

Note 8 Unfunded Staff Benefits

The unfunded staff benefits include the following items which have been charged to the fund balances, but which will be funded from future operating budgets:

	1995	1994
	(thousands of dollars)	
Pension liability - Universities Academic plan	\$ 7,164	\$ 6,553
Pension liability - Public Service plan	851	768
Early retirement benefits	<u>6,791</u>	<u>3,934</u>
	14,806	11,255
Less current portion	<u>889</u>	<u>708</u>
	<u>\$13,917</u>	<u>\$10,547</u>

Payments for early retirement benefits in the next five years are approximately as follows:

	(thousands of dollars)
1996	\$ 889
1997	938
1998	1,037
1999	1,085
2000	1,010

Note 9 Fund Balances

The University commenced recording early retirement benefits and vacation pay on an accrual basis in 1993. The University first recorded its share of the unfunded pension liability in 1994. The cumulative impact on fund balances of recording these costs is \$15,788,000 (1994 \$11,824,000).

	1995	1994
	(thousands of dollars)	
Operating:		
General operating	\$ (8,729)	\$(11,709)
Ancillary operations	2,183	(206)
Capital	<u>3,358</u>	<u>848</u>
	<u>\$ (3,188)</u>	<u>\$(11,067)</u>
Restricted:		
Sponsored research	\$ 1,256	\$ 1,356
Special purpose and endowment - expendable	2,262	2,529
Special purpose and endowment - non expendable	<u>7,876</u>	<u>6,759</u>
	<u>\$ 11,394</u>	<u>\$ 10,644</u>

Note 10 Capital Transactions

	1995				1994
	Investment in Capital Assets	Operating	Restricted	Total	Total
	(thousands of dollars)				
Additions:					
Internally funded	\$ 2,918	\$(2,606)	\$ (312)	\$ —	\$ —
Externally funded	701	—	—	701	787
Donated	<u>3,108</u>	<u>—</u>	<u>—</u>	<u>3,108</u>	<u>3,197</u>
	6,727	(2,606)	(312)	3,809	3,984
Net book value of disposals	(77)	—	—	(77)	(2,094)
Amortization	(4,794)	4,794	—	—	—
Repayment of long-term debt	<u>99</u>	<u>(99)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>\$ 1,955</u>	<u>\$ 2,089</u>	<u>\$ (312)</u>	<u>\$ 3,732</u>	<u>\$ 1,890</u>

Note 11 Interfund Transfers

	Operating	Restricted
	(thousands of dollars)	
Library campaign project	\$ 175	\$(175)
Research projects	12	(12)
Equipment/building renovations	(45)	45
Endowment projects	61	(61)
Salaries	(113)	113
Service contracts	72	(72)
Supplies and sundries	(73)	73
Grants approved	<u>(10)</u>	<u>10</u>
	<u>\$ 79</u>	<u>\$ (79)</u>

Note 12 Commitments

The Board of Governors designated the following amounts for future operating expenses and ongoing capital expenditure programs:

	1995	1994
	(thousands of dollars)	
General operating		
Staff benefits	\$ 352	\$ 626
Early retirement	99	100
Academic development	224	315
Campus planning studies	19	25
Special growth and development	69	103
Utilities	110	30
Enrolment management	44	102
Budget reductions	384	546
Library/LINC project	90	—
Departmental appropriations	<u>5,574</u>	<u>3,387</u>
	<u>6,965</u>	<u>5,234</u>
Ancillary operations		
Capital replacement	<u>2,182</u>	<u>1,451</u>
Capital		
Buildings and plant	639	597
Capital equipment	1,083	987
Site and utilities	189	76
Parking	161	178
Service vehicles and equipment	84	70
Self insurance	95	45
Utility conservation	57	—
	<u>2,308</u>	<u>1,953</u>
	<u>\$11,455</u>	<u>\$ 8,638</u>

Note 13 Salary Disclosure

	1995				1994	
	Full Time Equivalent	Salary	Benefits and Allowances	Total	Full Time Equivalent	Total
Chairperson of the Board (1 individual)	—	\$ —	\$ —	\$ —	—	\$ —
Board members (16 individuals)	—	—	—	—	—	—
	—	—	—	—	—	—
President	1.00	140,974	24,363	165,337	1	166,067
Executives						
Vice-President (Academic)	1.00	112,967	14,214	127,181	1	127,185
Vice-President (Administration)	.25	23,858	5,769	29,627	1	130,585
Dean of Management	1.00	128,911	15,624	144,535	1	145,153
Dean of Education	.75	90,256	9,122	99,378	1	134,041
Acting Dean of Education	.25	22,387	3,624	26,011	—	—
	<u>3.25</u>	<u>378,379</u>	<u>48,353</u>	<u>426,732</u>	<u>4</u>	<u>536,964</u>
Academic staff						
Salaried (average 1995 \$75,750, 1994 \$73,117)	244.00	15,032,992	3,449,952	18,482,944	282	20,618,999
Non-salaried	—	3,797,413	259,097	4,056,510	—	2,631,373
	<u>244.00</u>	<u>18,830,405</u>	<u>3,709,049</u>	<u>22,539,454</u>	<u>282</u>	<u>23,250,372</u>
Administrative/professional staff						
Directors (average 1995 \$94,155, 1994 \$87,083)	9.00	744,812	102,582	847,394	9	783,751
Administrative/professional officers (average 1995 \$54,085, 1994 \$53,968)	62.00	2,894,371	458,917	3,353,288	64	3,453,961
	<u>71.00</u>	<u>3,639,183</u>	<u>561,499</u>	<u>4,200,682</u>	<u>73</u>	<u>4,237,712</u>
Support staff						
Salaried (average 1995 \$35,195, 1994 \$31,023)	270.00	8,230,281	1,272,364	9,502,645	323	10,020,393
Non-salaried (average 1995 \$25,555, 1994 \$22,515)	30.00	717,343	49,316	766,659	61	1,373,440
	<u>300.00</u>	<u>8,947,624</u>	<u>1,321,680</u>	<u>10,269,304</u>	<u>384</u>	<u>11,393,833</u>

Note 13 Salary Disclosure (continued)

	1995				1994	
	Full Time Equivalent	Salary	Benefits and Allowances	Total	Ful Time Equivalent	Total
Senior administrative leaves						
President		\$ —	\$ 31,833	\$ 31,833		\$ 39,383
Vice-President (Academic)		—	26,387	26,387		34,968
Vice-President (Administration)		—	—	—		91,505
Dean of Management		—	11,420	11,420		31,404
Dean of Education		—	30,467	30,467		29,732
Dean of Arts and Science		—	101,974	101,974		118,830
Academic staff		—	49,197	49,197		195,785
		—	251,278	251,278		541,607
Total	619.25	\$31,936,565	\$ 5,916,222	\$37,852,787	744	\$40,126,555

SALARY

Includes regular base pay, overtime payments, position abolishment payments, sabbaticals and any other direct remuneration.

BENEFITS

Includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, and workers compensation.

BENEFITS - President, Executives

In addition to the above, benefits include supplementary pension plan contributions and personal portion of housing allowances.

PRESIDENT

Increments not paid out in 1991-92, 1992-93 and 1993-94 were awarded in 1994-95. The base compensation was then reduced by 5%.

SENIOR ADMINISTRATIVE LEAVES

Leaves have been accrued for senior administrators during the years in which the leaves are earned and normally will be paid out at the end of the administrative service.

Note 14 Related Party Transactions

The University of Lethbridge Foundation was established to receive gifts of real and personal property, and to provide grants and real and personal property to the University to support and promote the educational and research activities of the University.

During the year the following transactions occurred in the Foundation:

	1995	1994
	(thousands of dollars)	
Donations/interest received	\$50	\$ 1
Grants paid to the University	—	1

Note 15 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 presentation.

Note 16 Approval of Financial Statements

These financial statements have been approved by the Board of Governors following the recommendation of the Audit Committee.

UNIVERSITY OF LETHBRIDGE FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Surplus
Notes to the Financial Statements

AUDITOR'S REPORT

To the Board of Trustees of
the University of Lethbridge Foundation

I have audited the balance sheet of the University of Lethbridge Foundation as at March 31, 1995, and the statement of revenue, expenditure and surplus for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 1, 1995

UNIVERSITY OF LETHBRIDGE FOUNDATION
BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Donated assets (Note 3)	<u>\$50,000</u>	<u>\$ —</u>
LIABILITIES AND EQUITY		
Surplus	<u>\$50,000</u>	<u>\$ —</u>

The accompanying notes are part
of these financial statements.

UNIVERSITY OF LETHBRIDGE FOUNDATION
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
Revenue		
Donations (Note 3)	\$50,000	\$ —
Interest	<u>—</u>	<u>1,087</u>
	50,000	1,087
Expenditure		
Grants to The University of Lethbridge	<u>—</u>	<u>1,087</u>
Excess of revenue over expenditure	50,000	—
Surplus, beginning of year	<u>—</u>	<u>—</u>
Surplus, end of year	<u>\$50,000</u>	<u>\$ —</u>

UNIVERSITY OF LETHBRIDGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority

The University of Lethbridge Foundation (the "Foundation") operates under the authority of the Advanced Education Foundations Act, Statutes of Alberta 1991, chapter A-2.5.

Under Section 149(1)(1) of the Income Tax Act, the Foundation is exempt from income tax on income earned in the normal course of operations.

Note 2 Grants to The University of Lethbridge

All donations and interest received by the Foundation are transferred to the Board of Governors of The University of Lethbridge (the "University").

Note 3 Donated Assets

During the year, the Foundation received donations of artwork with a fair value of \$50,000, which will be transferred to the University in 1995-96.

Note 4 Approval of Financial Statements

The Board of Trustees of the University of Lethbridge Foundation have reviewed and approved these financial statements.

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Consolidated Balance Sheet
Consolidated Statement of Earnings and Deficit
Consolidated Statement of Changes in Financial Position
Notes to the Consolidated Financial Statements
Consolidated Schedule of Licensing and Royalty Revenue
Consolidated Schedule of Product Development Revenue
Consolidated Schedule of Personnel Costs

AUDITOR'S REPORT

To the Shareholder of
University Technologies International Inc.

I have audited the consolidated balance sheet of University Technologies International Inc. as at March 31, 1995 and the consolidated statements of earnings and deficit, and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 12, 1995

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets		
Cash and short-term investments (Note 2)	\$ 344,932	\$ 624,630
Accounts receivable	680,641	505,258
Current portion of notes receivable	12,000	—
Investment tax credit receivable	35,636	56,148
	<u>1,073,209</u>	<u>1,186,036</u>
Long-term notes receivable (Note 3)	<u>34,019</u>	<u>40,580</u>
Investments (Note 4)		
ACTC Technologies Inc.	403,713	411,814
Other	4	2
	<u>403,717</u>	<u>411,816</u>
Capital assets		
Equipment, net of accumulated amortization of \$19,303 (1994 \$3,014)	30,073	45,158
Patents, net of accumulated amortization of \$132,882 (1994 \$115,087)	464,617	436,992
	<u>494,690</u>	<u>482,150</u>
	<u>\$2,005,635</u>	<u>\$2,120,582</u>
LIABILITIES		
Current liabilities		
Bank overdraft	\$ 54,671	\$ —
Demand bank loan (Note 5)	60,000	50,000
Refundable income taxes payable (Note 8)	7,175	—
Accounts payable and accrued liabilities	628,423	458,442
Deferred product development revenue	276,777	600,357
	<u>1,027,046</u>	<u>1,108,799</u>
Long-term accounts payable (Note 6)	<u>39,479</u>	<u>52,791</u>
	<u>1,066,525</u>	<u>1,161,590</u>
Shareholder's equity		
Capital stock (Note 7)	1	1
Contributed surplus (Note 7)	1,551,198	1,551,198
Deficit	<u>(612,089)</u>	<u>(592,207)</u>
	<u>939,110</u>	<u>958,992</u>
	<u>\$2,005,635</u>	<u>\$2,120,582</u>
The accompanying notes and schedules are part of these financial statements.		

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF EARNINGS AND DEFICIT
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	Budget (Note 11)	Actual	Actual
Revenue			
Net licensing and royalty revenue (Schedule 1)	\$ 439,341	\$ 502,878	\$ 443,571
Client contract revenue	123,000	138,370	100,000
Net product development revenue (Schedule 2)	185,794	88,938	88,157
Other	<u>148,880</u>	<u>74,033</u>	<u>—</u>
	<u>897,015</u>	<u>804,219</u>	<u>631,728</u>
Expenses			
Write down of patents	260,192	225,894	35,884
Personnel (Schedule 3)	323,894	338,609	297,875
Operating	225,530	241,274	211,533
Amortization	108,280	76,039	72,779
Interest	720	1,371	24,719
Other	<u>—</u>	<u>1,923</u>	<u>1,737</u>
	<u>918,616</u>	<u>885,110</u>	<u>644,527</u>
Expense reimbursement grants (Note 10)	<u>—</u>	<u>(50,000)</u>	<u>(98,843)</u>
	<u>918,616</u>	<u>835,110</u>	<u>545,684</u>
Earnings (loss) from operations	(21,601)	(30,891)	86,044
Other income			
Share of earnings of ACTC Technologies Inc. (Note 4(a))	<u>—</u>	<u>18,184</u>	<u>85,153</u>
Net earnings (loss) for the year	(21,601)	(12,707)	171,197
Deficit at beginning of year	(592,207)	(592,207)	(763,404)
Refundable income taxes (Note 8)	<u>—</u>	<u>(7,175)</u>	<u>—</u>
Deficit at end of year	<u>\$(613,808)</u>	<u>\$(612,089)</u>	<u>\$(592,207)</u>

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Operating activities		
Cash from operations		
Net earnings (loss) for the year	\$ (12,707)	\$ 171,197
Charges (credits) to earnings not involving cash:		
Share of earnings of ACTC	(18,184)	(85,153)
Amortization	76,039	72,779
Write down of patents	225,894	35,884
Loss on sale of equipment	—	6,034
	<u>271,042</u>	<u>200,741</u>
Net change in non-cash working capital balances related to operations		
Accounts receivable	(175,383)	(306,578)
Accounts payable and accrued liabilities	169,981	141,258
Deferred product development revenue	(323,580)	376,831
Investment tax credit receivable	20,512	—
	<u>(37,428)</u>	<u>412,252</u>
Financing activities		
Additional capital contributed - The University of Calgary	—	441,999
Reduction in notes payable - The University of Calgary	—	(417,939)
Increase (decrease) in long-term accounts payable	(13,312)	52,791
	<u>(13,312)</u>	<u>76,851</u>
Investing activities		
Investment in Wi-Lan Inc. and SemBioSys Genetics, Inc.	(2)	—
Patent costs (net)	(313,269)	(222,971)
Purchase of equipment	(1,204)	(48,172)
Reduction (increase) in note receivable	(5,439)	8,973
Proceeds from sale of equipment	—	7
Purchases of additional interest in ACTC Technologies Inc.	(2,415)	—
Dividend received from ACTC Technologies Inc.	28,700	—
	<u>(293,629)</u>	<u>(262,163)</u>
Increase (decrease) in cash and short-term investments for the year	(344,369)	226,940
Cash and short-term investments at beginning of year	574,630	347,690
Cash and short-term investments at end of year	<u>\$ 230,261</u>	<u>\$ 574,630</u>
Cash and short-term investments consist of the following:		
Cash and short-term investments	\$ 344,932	\$ 624,630
Bank overdraft	(54,671)	—
Demand bank loan	(60,000)	(50,000)
	<u>\$ 230,261</u>	<u>\$ 574,630</u>

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Significant Accounting Policies

Change in Accounting Policy

In prior years, the company's financial statements were prepared on a non-consolidated basis and the company's investment in its wholly-owned subsidiaries were accounted for by the equity method. During the current year, the company changed its method of accounting for the investment in its wholly-owned subsidiaries from the equity method to the consolidation method. The change has no impact on the consolidated net earnings (loss) of the company in the current and previous fiscal years. The financial statements of the prior period that are presented for comparison have been restated to give effect to this change.

Consolidation

These consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries Calbiotronix Inc. and BRM Biotech Ltd.

Revenue Recognition

Licensing and royalty revenues are recognized as payments become due under licensing and royalty agreements. Royalties are payable based on product sales reported by licensees on a calendar year basis. As the company has no licensee sales information subsequent to December 31, 1994, royalties are only recorded on sales reported up to that date.

Product development revenues are deferred and recognized as related product development expenses are incurred.

Investment in Significantly Influenced Companies

The company accounts for its investment in ACTC Technologies Inc. by the equity method. Under the equity method, the company's investments are recorded initially at cost, increased by the net earnings of the investee corporation, decreased by net losses of the investee corporation, and decreased by dividends received from the investee corporation. Net earnings (losses) are recorded based on each investee corporation's most recent fiscal year end.

During the year, the company acquired a 50% interest in SemBioSys Genetics, Inc. This investee was inactive during the year; it will be accounted for using the equity method once activity commences.

Capital assets

Amortization on equipment is provided over the estimated useful lives of the assets at 33% per year on a straight-line basis.

Patents are recorded at cost and include acquisition and maintenance costs. Patent costs are amortized on a straight-line basis over 10 years. The carrying value of patents related to a project is limited to the estimated future net revenues expected to be derived from the project. Patent costs in excess of estimated future net revenues are written off.

Investment Tax Credits

Investment tax credits received for product development activities are credited against the related expenses, as shown in Schedule 2.

Note 2 Cash and Short-term Investments

Certain cash and short-term investment balances are not available to pay ordinary operating expenses of the company, but are held to pay for research and development expenses as provided by terms of the agreements between the company and firms sponsoring such activities (1995 \$334,266; 1994 \$583,858).

Note 3 Long-term Notes Receivable

These notes are unsecured, non-interest bearing and repayable from royalties earned by the debtor from specified property.

Note 4 Investments

(a) ACTC Technologies Inc. (30% of the issued and outstanding capital stock)

	<u>1995</u>	<u>1994</u>
Equity investment at beginning of year	\$411,814	\$326,661
Additional investment	2,415	—
Share of earnings	18,184	85,153
Dividends received	(28,700)	—
Equity investment at end of year	<u>\$403,713</u>	<u>\$411,814</u>

(b) Other investments at cost

	<u>1995</u>	<u>1994</u>
SemBioSys Genetics Inc.	\$ 1	\$—
International Technology Development Inc.	1	1
Jade Simulations International Corporation	1	1
Wi-Lan Inc.	1	—
	<u>\$ 4</u>	<u>\$ 2</u>

Note 5 Demand Bank Loan

The demand bank loan bears interest at prime plus 1% and the bank has a general security agreement over all assets of the company.

Note 6 Long-Term Accounts Payable

Long-term accounts payable are non-interest bearing and are payable out of future royalties received on certain projects.

Note 7 Capital Stock and Contributed Surplus

The company's authorized share capital consists of an unlimited number of common shares without nominal or par value of which one common share is issued and outstanding.

	<u>1995</u>	<u>1994</u>
Contributed surplus		
Balance at beginning of year	\$1,551,198	\$1,109,199
Additional contribution by The University of Calgary of notes payable and accrued interest thereon effective March 30, 1994	<u>—</u>	<u>441,999</u>
Balance at end of year	<u>\$1,551,198</u>	<u>\$1,551,198</u>

Note 8 Income Taxes

The company has assets with a cost basis for tax purposes in excess of their carrying value in the financial statements by \$380,000 (1994 \$267,000) which may be used to reduce taxable income in future years.

The company also has a net capital loss of \$190,000 (1994 \$194,000) that may be carried forward and used to reduce taxable capital gains in future years.

The company has unutilized investment tax credits of \$401,000 (1994 \$347,000) which may be carried forward to reduce federal income taxes payable in future years. These investment tax credits expire in the years ending from March 31, 2001 to March 31, 2004.

The future tax benefits relating to the above items have not been recognized in these financial statements.

Certain taxes paid by the company on investment income are refundable to the company at the rate of \$1 for every \$4 (\$3 after July 1995) of taxable dividends paid to the shareholder. The cumulative refundable amount at March 31, 1995 was \$7,175. Such tax and its recovery is charged and credited to the deficit account.

Note 9 Related Party Transactions

During the year, the company and its subsidiaries were involved in the following transactions with the company's parent, The University of Calgary:

	<u>1995</u>	<u>1994</u>
Client contract revenue	\$ 50,000	\$ 50,000
Product development expense	585,953	546,580
Other services included in operating expense	63,100	41,113
Balance payable at year end	30,437	5,112

Substantially all of the company's projects from which it derives licensing, royalty and product development revenues arise out of the company's activities with two client institutions, The University of Calgary and the Foothills Provincial General Hospital.

Note 10 Government Assistance

During the year, the company received \$50,000 (1994 \$98,843) from the Government of Alberta which has been shown as expense reimbursement.

Note 11 Budget

The budget, on an interim basis, was reviewed by the Board on May 30, 1994.

Note 12 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 presentation.

Note 13 Approval of Financial Statements

These financial statements were approved by the Board of Directors.

Schedule 1

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED SCHEDULE OF LICENSING AND ROYALTY REVENUE
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	<u>Budget</u> (Note 11)	<u>Actual</u>	<u>Actual</u>
Licensing and Royalty Revenue			
Gross revenue from licensing and royalty agreements	<u>\$1,322,404</u>	<u>\$1,432,319</u>	<u>\$1,277,281</u>
Distributions to other parties under licensing and royalty agreements			
Inventors	746,612	726,805	668,062
Client institutions	<u>136,451</u>	<u>202,636</u>	<u>165,648</u>
	<u>883,063</u>	<u>929,441</u>	<u>833,710</u>
Net licensing and royalty revenue	<u>\$ 439,341</u>	<u>\$ 502,878</u>	<u>\$ 443,571</u>

Schedule 2

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED SCHEDULE OF PRODUCT DEVELOPMENT REVENUE
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	<u>Budget</u> (Note 11)	<u>Actual</u>	<u>Actual</u>
Product Development Revenue			
Revenue earned under product development agreements	<u>\$942,180</u>	<u>\$633,141</u>	<u>\$577,396</u>
Product development expense	806,686	585,953	546,580
Less: Investment tax credits	<u>(50,300)</u>	<u>(41,750)</u>	<u>(57,341)</u>
	<u>756,386</u>	<u>544,203</u>	<u>489,239</u>
Net product development revenue	<u>\$185,794</u>	<u>\$ 88,938</u>	<u>\$ 88,157</u>

Schedule 3

UNIVERSITY TECHNOLOGIES INTERNATIONAL INC.
CONSOLIDATED SCHEDULE OF PERSONNEL COSTS
FOR THE YEAR ENDED MARCH 31, 1995

	1995				1994	
	<u>Number of Individuals</u>	<u>Salary and Bonuses</u> ⁽¹⁾	<u>Benefits and Allowances</u> ⁽²⁾	<u>Total</u>	<u>Number of Individuals</u>	<u>Total</u>
Chairman	1	\$ —	\$ —	\$ —	1	\$ —
Other directors	11	—	—	—	12	—
Senior officials						
President and CEO	1	87,900	8,685	96,585	1	98,792
Manager, Science and Engineering Technologies	1	66,900	8,053	74,953	1	74,571
Other managers						
Assistant Manager, Technology Transfer	1	28,845	2,571	31,416	1	17,124
Assistant Manager, Technology Transfer	1	32,500	5,269	37,769	1	29,061
Other full-time administrative staff (average salary 1995 \$24,402, 1994 \$32,881)	3	63,027	10,181	73,208	2	65,762
Non-salaried staff		<u>23,234</u>	<u>1,444</u>	<u>24,678</u>		<u>12,565</u>
		<u>\$302,406</u>	<u>\$ 36,203</u>	<u>\$338,609</u>		<u>\$297,875</u>

(1) Salaries and bonuses include regular base pay and bonuses.

(2) Benefits and allowances includes company's share of all employee benefits including Canada Pension Plan, unemployment insurance, health care, dental coverage, group life insurance and pension.

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Unexpended Funds
Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Grants and Awards
Schedule of Expenses

AUDITOR'S REPORT

To the Trustees of the Alberta Heritage Foundation
for Medical Research

I have audited the balance sheet of the Alberta Heritage Foundation for Medical Research as at March 31, 1995 and the statements of revenue, expenditure and unexpended funds, and changes in financial position for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 21, 1995

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
BALANCE SHEET
MARCH 31, 1995
(thousands of dollars)

	1995	1994
ASSETS		
Cash	\$ 7,491	\$ 9,675
Accounts receivable	102	182
Advances and prepaid expenses (Note 4)	87	187
Mortgages receivable (Note 5)	25	133
Capital assets (Note 6)	299	337
Deferred pension costs (Note 7)	18	2
	<u>\$ 8,022</u>	<u>\$10,516</u>
LIABILITIES AND UNEXPENDED FUNDS		
Accounts payable and accrued liabilities	\$ 369	\$ 336
Accrued pension costs (Note 7)	86	68
Unexpended funds:		
Operating	575	2,553
Medical Innovation Program (Note 8)	6,992	7,559
	<u>\$ 8,022</u>	<u>\$10,516</u>

The accompanying notes and schedules are part of these financial statements.

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
STATEMENT OF REVENUE, EXPENDITURE AND UNEXPENDED FUNDS
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995		1994
	Operating	Medical Innovation Program	Total Actual
Revenue			
Transfers from the Alberta Heritage Foundation for Medical Research Endowment Fund (Note 3)	\$23,000	\$ —	\$23,000
Contribution from the Lottery Fund	—	—	2,266
Interest	221	445	666
Return on technology commercialization projects (Note 9)	—	8	8
	<u>23,221</u>	<u>453</u>	<u>23,674</u>
Expenditure			
Grants and awards, Schedule 1	23,220	881	24,101
Expenses, Schedule 2	1,979	139	2,118
	<u>25,199</u>	<u>1,020</u>	<u>26,219</u>
Excess (deficiency) of revenue over expenditure for the year	(1,978)	(567)	(2,545)
Unexpended funds at beginning of year	2,553	7,559	10,112
Unexpended funds at end of year	<u>\$ 575</u>	<u>\$ 6,992</u>	<u>\$ 7,567</u>
			<u>\$10,112</u>

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Operating activities:		
Excess (deficiency) of revenue over expenditure for the year - Operating	\$ (1,978)	\$ 250
Excess (deficiency) of revenue over expenditure for the year		
- Medical Innovation Program	(567)	1,908
	<u>(2,545)</u>	<u>2,158</u>
Charges not affecting cash:		
Amortization	71	50
Loss on disposal of capital assets	6	5
	<u>(2,468)</u>	<u>2,213</u>
Non cash items:		
Decrease (increase) in accounts receivable	80	(155)
Decrease (increase) in advances and prepaid expenses	100	(14)
Decrease in mortgages receivable	108	36
(Increase) decrease in deferred pension costs	(16)	29
Increase (decrease) in accounts payable and accrued liabilities	33	(85)
Increase in accrued pension costs	18	68
	<u>(2,145)</u>	<u>2,092</u>
Investing activities:		
Purchase of capital assets	(39)	(112)
(Decrease) increase in cash for the year	<u>(2,184)</u>	<u>1,980</u>
Cash at beginning of year	9,675	7,695
Cash at end of year	<u>\$ 7,491</u>	<u>\$ 9,675</u>

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Alberta Heritage Foundation for Medical Research (the "Foundation") operates under the authority of the Alberta Heritage Foundation for Medical Research Act, Chapter A-26, Revised Statutes of Alberta 1980, as amended.

The Foundation supports and promotes research in Alberta to improve health and thereby the quality of life of Albertans and people throughout the world.

Note 2 Significant Accounting Policies and Reporting Practices

Capital Assets and Amortization

Capital assets are shown at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Furniture and office equipment	10%
Computer equipment	20%

Grants Expenditure

Grants and allowances awarded by the Trustees of the Foundation are recorded as expenditure when the awardee has been notified of the amount of the award and all terms and conditions of eligibility for payment of the award have been met.

Note 3 Alberta Heritage Foundation for Medical Research Endowment Fund

The Endowment Fund operates pursuant to the Alberta Heritage Foundation for Medical Research Act and consists of an initial endowment of \$300,000,000 from the Alberta Heritage Savings Trust Fund together with cumulative earnings thereon, less cumulative transfers to the Foundation.

Transfers to the Foundation are available at the request of the Trustees of the Foundation provided that such transfers do not result in the net assets of the Endowment Fund, valued at cost, being less than the initial endowment.

At March 31, 1995, the net assets of the Endowment Fund valued at cost were approximately \$635,355,000 and valued at market were approximately \$686,843,000.

Note 4 Advances and Prepaid Expenses

	1995	1994
	(thousands of dollars)	
Unexpended funds held by universities:		
Visiting lecturers' grants	\$ —	\$ 12
Travel grants	—	25
Prepaid administration expenses and grants	87	150
	<u>\$ 87</u>	<u>\$187</u>

Note 5 Mortgages Receivable

Under its housing assistance program, the Foundation advanced interest bearing mortgage loans to researchers, all of which were repaid by March 31, 1995. A non-interest bearing mortgage loan to the Foundation's President is repayable at \$25,000 per year over a five year period ending in 1995-96.

Note 6 Capital Assets

	1995			1994
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Furniture and office equipment	\$282	\$172	\$110	\$120
Computer equipment	<u>303</u>	<u>114</u>	<u>189</u>	<u>217</u>
	<u>\$585</u>	<u>\$286</u>	<u>\$299</u>	<u>\$337</u>

Note 7 Pension Plan

The Foundation's pension plan is a defined benefit plan. Benefits are based on years of service and average salary in the final years of employment.

Pension expense includes the amortization of experience gains and losses. These amounts are being amortized on a straight-line basis over periods from 14 to 21 years. The cumulative difference between the amounts expensed and the funding contributions required is shown on the balance sheet as deferred pension costs of \$18,000.

The plan's status as at March 31, 1995 is as follows:

Assets	\$645,800
Less actuarial value of accrued pension benefits	619,200
Excess balance	<u>\$ 26,600</u>

In December 1993, the Board of Trustees approved a retiring allowance package for the President. The unfunded liability of \$86,000 has been accrued and expensed. This liability was determined by an actuary using the same assumptions that were used to value the pension plan.

Note 8 Medical Innovation Program

The Foundation administers funds for the Medical Innovation Program on behalf of the Minister of Economic Development and Tourism. The program is scheduled to end March 31, 1997 at which time all unallocated and undisbursed funds will be returned to the Province of Alberta.

Note 9 Return on Technology Commercialization Projects

The Foundation has entered into various agreements to fund technology commercialization projects. The projects involved have high scientific merit, but are speculative with both technical and commercial risk. Any returns to the Foundation under these agreements will be long-term, in some cases at least ten years. Amounts ultimately receivable by the Foundation are not determinable at this time and will be recognized as revenue when they are due and collection is reasonably assured.

Note 10 Commitments

As at March 31, 1995 the Foundation had committed \$40,164 (1994 \$33,599) for scientific programs:

	(thousands of dollars)
Scholarship grants	\$16,220
Heritage medical scientist grants	13,620
Training grants	3,716
Clinical investigatorship grants	3,451
Other programs	<u>3,157</u>
	<u>\$40,164</u>

These commitments pertain to the following fiscal years:

	(thousands of dollars)
1995-96	\$18,835
1996-97	9,661
1997-98	5,914
1998-99	3,677
1999-2000	1,765
2000-2001	312
	<u>\$40,164</u>

Note 11 Salaries and Benefits

	1995				1994	
	Number of Individuals	Salary ⁽¹⁾	Benefits ⁽²⁾	Total ⁽⁴⁾	Number of Individuals	Total ⁽⁴⁾
Chairman	1	\$ 12,895	\$ 180	\$ 13,075	1	\$ 10,400
Board of Trustees	8	69,000	635	69,635	8	67,383
	9	<u>81,895</u>	<u>815</u>	<u>82,710</u>	9	<u>77,783</u>
President and Chief Executive Officer						
- current year	1	160,000	43,958	203,958	1	215,439
- retiring allowance related to prior service		—	—	—		51,400
Director, Grants and Awards ⁽³⁾	1	109,084	12,780	121,864	1	103,576
Financial Officer	1	65,000	13,287	78,287	1	81,154
Other salaried staff (average 1995 \$36,817 1994 \$36,252)	12	371,062	70,746	441,808	15	543,981
Non-salaried staff	5	78,758	6,700	85,458	4	46,617
		<u>783,904</u>	<u>147,471</u>	<u>931,375</u>		<u>1,042,167</u>
		<u>\$865,799</u>	<u>\$148,286</u>	<u>\$1,014,085</u>		<u>\$1,119,950</u>

(1) Salary includes regular base pay, overtime, retainers, honoraria, and any other direct cash remuneration.

(2) Benefits include the Foundation's share of all employee benefits and contributions or payments made on behalf of employees including pension, no-interest mortgage, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans and professional memberships.

(3) For two months during the year, this position was occupied by two individuals.

(4) Salaries and benefits are included in the following accounts in Schedule 2; salaries and employee benefits, office stationery and printing, contract employment and consulting, other committees, honoraria and retainer fees, and Medical Innovation Program salaries and benefits.

Note 12 Budget

The 1994-95 budget was approved by the Trustees in March 1994.

Funds are transferred from the endowment on an as needed basis. A summary of actual and budgeted transfers and expenditures follows:

	1995		1994
	Budget	Actual	Actual
	(thousands of dollars)		
Transfers from endowment	<u>\$27,000</u>	<u>\$23,000</u>	<u>\$25,500</u>
Grants and awards	\$26,882	\$23,220	\$23,584
Expenses	<u>1,910</u>	<u>1,979</u>	<u>2,011</u>
	<u>\$28,792</u>	<u>\$25,199</u>	<u>\$25,595</u>

Note 13 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 presentation.

Note 14 Approval of Financial Statements

These financial statements were reviewed by the Audit Committee and recommended to the Trustees for approval.

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
SCHEDULE OF GRANTS AND AWARDS
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	<u>1995</u>	<u>1994</u>
Operating		
Personnel grants		
Scholars	\$ 7,095	\$ 7,794
Scientists	4,068	4,480
Clinical investigators	<u>2,977</u>	<u>3,201</u>
	<u>14,140</u>	<u>15,475</u>
Training grants		
Students	2,508	2,278
Fellows	1,691	1,753
Clinical fellows	<u>333</u>	<u>382</u>
	<u>4,532</u>	<u>4,413</u>
Other grants		
Independent establishment	1,057	324
Major equipment and maintenance	907	1,163
Technology commercialization	819	515
Visiting lecturer and travel	548	570
Special initiatives	373	351
Visiting scientists and professors	134	139
Conferences	46	62
Computer and library	40	100
Recruitment	<u>13</u>	<u>—</u>
	<u>3,937</u>	<u>3,224</u>
Health research	<u>611</u>	<u>472</u>
	23,220	23,584
Medical Innovation Program	<u>881</u>	<u>580</u>
	<u>\$24,101</u>	<u>\$24,164</u>

Schedule 2

ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	<u>1995</u>	<u>1994</u>
Operating		
Administration		
Salaries and employee benefits	\$ 913	\$ 946
Office, stationery and printing	150	105
Rent	149	141
Amortization	71	50
Contract employment and consulting	29	37
Telephone and telecommunications	14	13
Insurance	12	12
Legal	8	20
	<u>1,346</u>	<u>1,324</u>
Peer review		
Scientific Advisory Council	107	86
Technology commercialization committee	88	42
Postage and courier	36	35
Other committees	149	130
	<u>380</u>	<u>293</u>
Trustees		
Honoraria and retainer fees	80	78
Other	14	14
	<u>94</u>	<u>92</u>
Communications and education		
Newsletter	42	39
Special projects	26	18
Annual report	19	31
Media fellowships	6	6
Other	10	6
	<u>103</u>	<u>100</u>
Planning and program development		
Travel and meetings	56	54
International Board of Review	—	33
	<u>56</u>	<u>87</u>
	<u>1,979</u>	<u>1,896</u>
Medical Innovation Program		
Salaries and benefits	44	43
Legal, consulting and reviews	67	45
Travel and meetings	22	27
Newsletter	6	—
	<u>139</u>	<u>115</u>
	<u>\$2,118</u>	<u>\$2,011</u>

ALBERTA CANCER BOARD
FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Fund Balances
Statement of Equity in Capital Assets
Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Deferred Grants
Schedule of General Expenditure by Function
Schedule of General Expenditure by Type
Schedule of Salaries and Benefits

AUDITOR'S REPORT

To the Members of the
Alberta Cancer Board

I have audited the balance sheet of the Alberta Cancer Board as at March 31, 1995 and the statements of revenue, expenditure and fund balances, equity in capital assets and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
May 19, 1995

ALBERTA CANCER BOARD
BALANCE SHEET
AS AT MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets:		
Restricted cash (Note 3)	\$ 9,235,450	\$ 7,300,287
Short-term investments	19,824,324	17,907,824
Accounts receivable	1,966,141	1,438,278
Inventory	1,574,561	1,544,589
Prepaid expenses	<u>542,016</u>	<u>321,999</u>
	33,142,492	28,512,977
Portfolio investments, at cost (market value \$6,859,727, 1994 \$6,454,038)	6,857,997	6,739,465
Capital assets (Note 4)	100,508,985	100,168,098
Deposit for equipment purchases	<u>1,036,327</u>	<u>—</u>
	<u>\$141,545,801</u>	<u>\$135,420,540</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Bank indebtedness	\$ 1,738,837	\$ 370,404
Accounts payable	5,202,235	6,185,734
Accrued employee benefits (Note 5)	2,877,923	3,480,077
Holdbacks payable	378,316	1,950,511
Deferred grants, Schedule 1	<u>14,641,804</u>	<u>10,000,997</u>
	24,839,115	21,987,723
Long-term liability:		
Pension liability (Note 6)	<u>3,416,000</u>	<u>2,989,000</u>
Equity:		
Fund balances	12,781,701	10,275,719
Equity in capital assets	<u>100,508,985</u>	<u>100,168,098</u>
	113,290,686	110,443,817
	<u>\$141,545,801</u>	<u>\$135,420,540</u>
The accompanying notes and schedules are part of these financial statements.		

ALBERTA CANCER BOARD
STATEMENT OF REVENUE, EXPENDITURE AND FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1995

	1995					1994	
	Operating	Discretionary	Special Program Funds	Research Projects	Total Actual	Total Budget (Note 9)	Total Actual
Revenue:							
Grants, Schedule 1	\$60,158,864	\$ —	\$ 3,452,027	\$ 6,526,596	\$70,137,487	\$65,775,054	\$72,094,023
Patient charges	2,503,001	6,804	—	—	2,509,805	1,515,000	1,762,564
Interest	—	1,133,861	—	—	1,133,861	950,000	1,167,946
Recoveries	101,195	81,864	—	—	183,059	101,864	156,207
Ancillary operations:							
Edmonton Radiopharmaceutical Centre	—	1,362,398	—	—	1,362,398	—	1,234,786
Parking, food and drug sales	—	1,305,434	—	—	1,305,434	1,265,000	826,389
	<u>62,763,060</u>	<u>3,890,361</u>	<u>3,452,027</u>	<u>6,526,596</u>	<u>76,632,044</u>	<u>69,606,918</u>	<u>77,241,915</u>
Expenditure:							
General, Schedules 2 and 3	60,142,853	1,117,708	3,369,016	—	64,629,577	68,772,222	65,733,673
Research	—	—	—	6,526,596	6,526,596	4,594,556	5,932,313
Ancillary operations:							
Edmonton Radiopharmaceutical Centre	—	1,257,772	—	—	1,257,772	—	1,159,901
Parking, food and drug sales	—	1,236,824	—	—	1,236,824	1,200,000	787,673
	<u>60,142,853</u>	<u>3,612,304</u>	<u>3,369,016</u>	<u>6,526,596</u>	<u>73,650,769</u>	<u>74,566,778</u>	<u>73,613,560</u>
Excess (deficiency) of revenue over expenditure before cost of usage of capital assets	2,620,207	278,057	83,011	—	2,981,275	(4,959,860)	3,628,355
Amortization of capital assets	(7,123,753)	(33,751)	—	(757,753)	(7,915,257)	—	(6,386,382)
Write-offs and disposals	(2,138,934)	—	—	—	(2,138,934)	—	—
Excess (deficiency) of revenue over expenditures	(6,642,480)	244,306	83,011	(757,753)	(7,072,916)	<u>\$ (4,959,860)</u>	(2,758,027)
Fund balances, beginning of year	805,326	7,928,129	1,542,264	—	10,275,719	—	6,735,083
Transfer between funds	(805,326)	2,347,590	(1,542,264)	—	—	—	—
Transfer from equity in capital assets	9,262,687	33,751	—	757,753	10,054,191	—	6,386,382
Transfer to equity in capital assets	—	(475,293)	—	—	(475,293)	—	(87,719)
Fund balances, end of year	<u>\$ 2,620,207</u>	<u>\$10,078,483</u>	<u>\$ 83,011</u>	<u>\$ —</u>	<u>\$12,781,701</u>		<u>\$10,275,719</u>

ALBERTA CANCER BOARD
STATEMENT OF EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Equity at beginning of year:	\$100,168,098	\$ 85,081,756
Capital assets acquired during the year from funds provided by:		
Capital grants, Schedule 1	9,902,458	21,334,565
Capital donations	17,327	50,440
Transfer from discretionary fund	475,293	87,719
	<u>10,395,078</u>	<u>21,472,724</u>
Deduct:		
Transfers to operating, discretionary and research projects funds for amortization, write-offs and disposals of capital assets	10,054,191	6,386,382
Equity at end of year	<u>\$100,508,985</u>	<u>\$100,168,098</u>

ALBERTA CANCER BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995

	1995	1994
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ (7,072,916)	\$ (2,758,027)
Add (deduct) non-cash items:		
Amortization, write-offs and disposals of capital assets	10,054,191	6,386,382
Pension expense	427,000	100,000
	<u>3,408,275</u>	<u>3,728,355</u>
Add (deduct) changes in non-cash working capital:		
Accounts receivable	(527,863)	1,541,421
Inventory and prepaid expenses	(249,989)	(252,308)
Accounts payable	(983,499)	(2,335,290)
Accrued employee benefits	(602,154)	352,686
Holdbacks payable	(1,572,195)	561,455
Deferred operating and research project grants	(1,172,903)	(76,614)
Cash provided by (used in) operating activities	<u>(1,700,328)</u>	<u>3,519,705</u>
Investing activities:		
Acquisition of capital assets, net	(10,395,078)	(21,472,724)
Deposit refunded (paid) for equipment purchases	(1,036,327)	1,000,000
Acquisition of portfolio investments, net	(118,532)	(6,739,465)
Cash applied to investing activities	<u>(11,549,937)</u>	<u>(27,212,189)</u>
Financing activities:		
Capital grants received, net	15,716,168	15,706,331
Capital donations received	17,327	50,440
Cash provided by financing activities	<u>15,733,495</u>	<u>15,756,771</u>
Increase (decrease) in cash and short-term investments	2,483,230	(7,935,713)
Cash and short-term investments at beginning of year	24,837,707	32,773,420
Cash and short-term investments at end of year	<u>\$ 27,320,937</u>	<u>\$ 24,837,707</u>

Cash and short-term investments consist of restricted cash and short-term investments, less bank indebtedness.

ALBERTA CANCER BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority

The Alberta Cancer Board operates under the authority of the Cancer Programs Act, Chapter C-1, Revised Statutes of Alberta 1980, as amended.

The Board provides cancer services to Albertans through research, diagnosis, treatment, education and prevention programs. The Board administers its programs through the operations of the Cross Cancer Institute, the Tom Baker Cancer Centre and four cancer clinics. The Board also operates the Edmonton Radiopharmaceutical Centre, which manufactures, purchases and sells pharmaceuticals and radiopharmaceuticals for cancer treatment and research.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Revenue and Expenditure

Revenue and expenditure are presented by category as the Board receives funding for specific purposes.

(i) Operating

Operating revenues consist of provincial operating grants and certain defined revenue earned during the fiscal year to deliver programs approved under the Hospitalization Benefits Plan. Expenditures are for the delivery of these programs.

(ii) Discretionary

The Department of Health permits the Board to retain net income from ancillary operations, certain user charges and interest earned on non-capital funds. These funds shall be used to offset unfunded operating deficits and may also be used for any beneficial purpose within the authority of the Board. In some cases, prior Ministerial approval is required.

(iii) Special Programs

The Board receives funding from the Department of Health for the breast screening program and the bone marrow program at the Tom Baker Cancer Centre. The Board also receives special program operating grants from the Alberta Cancer Foundation and other agencies. Expenditures are for the delivery of these programs.

(iv) Research Projects

The Board receives funding from the Alberta Heritage Savings Trust Fund and the Alberta Cancer Foundation for the purpose of awarding research grants. The Board also receives research grants from a variety of other sources. The research monies expended, and an equivalent amount of grant revenue, are included in the statement of revenue and expenditure as research projects.

Capital assets acquired as part of the research expenditures are shown separately as research equipment. Title to these assets passes to the Board on purchase.

(b) Inventory

Inventory is valued at the lower of cost and net replacement value.

(c) Capital Assets

Purchased assets are recorded at cost less accumulated amortization. Cost includes contributed capital assets which are recorded at fair value at the date of contribution.

Amortization of capital assets is provided on the straight-line basis over their estimated useful economic lives as follows:

Buildings	20 - 50 years
Furniture and equipment	5 - 20 years
Research equipment	5 - 20 years
Parkade	30 years

(d) Deferred Grants

Deferred grants consist of the unexpended portion of grants received for specified purposes and, where stipulated, interest earned thereon, less expenditures.

(e) Pension Liability and Expenditure

The Board's pension liability is its portion of the pension plan's total unfunded pension liability, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Board's employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liability, the amortization of deferred adjustments over the expected average remaining service life of employees, and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

(f) Equity in Capital Assets

Equity in capital assets mainly consists of capital assets contributed by the Province of Alberta, capital asset acquisitions funded by grants and donations designated for the purchase of capital assets. Capital grants and donations, plus interest earned, that have not been expended are deferred and are reflected as a liability. Other funds used to acquire capital assets are transferred to equity in capital assets. Equity in capital assets is reduced by a transfer to other funds of an amount equal to amortization, write-offs and disposals of capital assets.

Note 3 Restricted Cash

Restricted cash consists of deposits in the Consolidated Cash Investment Trust Fund use of which is restricted to the payment of those expenditures incurred on two major capital projects that are designated for funding by the Department of Public Works, Supply and Services.

Note 4 Capital Assets

	1995			1994
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 4,556,000	\$ —	\$ 4,556,000	\$ 4,556,000
Buildings	71,306,175	8,577,393	62,728,782	53,961,790
Furniture and equipment	46,224,260	21,501,708	24,722,552	21,505,646
Research equipment	9,289,156	5,841,213	3,447,943	3,595,767
Parkade	5,475,700	1,034,273	4,441,427	4,623,780
Construction in progress	612,281	—	612,281	11,925,115
	<u>\$137,463,572</u>	<u>\$ 36,954,587</u>	<u>\$100,508,985</u>	<u>\$100,168,098</u>

Cost includes the appraised value at March 31, 1989 of capital assets transferred to the Board from the Province of Alberta on that date.

In July 1989, the Board and The University of Alberta jointly completed the construction of a parkade on land owned by the University adjoining the Cross Cancer Institute. The Board incurred expenditures of \$5,475,530 which amounted to 5/8 of the cost of the parkade. In return, the University granted the Board 5/8 of the use of the parkade rent-free until the year 2009, with two additional five-year renewal terms. The Board pays a portion of the parkade's operating costs.

The Board leases from certain regional health authorities, for nominal amounts, the premises that its hospitals and clinics occupy, with the exception of the Cross Cancer Institute land and buildings and the Mewburn Veterans Centre land, which are owned by the Board.

In 1988, the Mewburn Veterans Centre was transferred from Alberta Public Works, Supply and Services to the Alberta Cancer Board. The appraised value of the building at the time of transfer was \$5,620,000. The Board subsequently entered into a long-term lease of the Centre to the Capital Care Group for a nominal rent and accordingly, the building has been recorded at no value.

Note 5 Accrued Employee Benefits

Accrued employee benefits consists of accrued vacation pay of \$2,575,700 (1994 \$3,018,326) and post-employment benefits of \$302,223 (1994 \$461,751).

The Board operates a post-employment benefit plan for medical staff. The annual contributions made by the Board are calculated for each medical employee and are based on annual salary less the portion of the salary covered by the Public Service Pension Plan. Interest was credited to the plan at the rate of 5.0% for the year.

Note 6 Pension Liability

The Board participates with other employers in the Public Service Pension Plan. This Plan provides pensions for the Board's employees based on years of service and earnings.

The pension liability of the Board as at March 31, 1995 was estimated at \$3,416,000 (1994 \$2,989,000). This liability is to be eliminated on or before December 31, 2036.

The total unfunded pension liability for the Plan was determined by an actuarial valuation as at December 31, 1994 and extrapolated to March 31, 1995. The 1994 comparative figure was based on an extrapolation of a December 31, 1991 actuarial valuation.

The Public Sector Pension Plans Act specifies the basis to determine the amount of the total unfunded liability for the Plan which will be funded by employers.

Note 7 Commitments

(a) Operating leases

Future minimum lease payments under operating leases relating primarily to office and warehouse space, are as follows:

1996	\$ 330,964
1997	306,683
1998	298,961
1999	298,492
2000	299,273
	<u>\$1,534,373</u>

(b) Construction in progress

Construction in progress relates to the Cross Cancer Institute redevelopment and the Tom Baker Cancer Centre expansion projects.

The total costs for the Cross Cancer Institute redevelopment project, including the cost of the parkade (see Note 4), are estimated to be \$100,600,000. Of this amount, \$99,400,000 is to be funded by the Department of Public Works, Supply and Services and the remaining portion by the discretionary fund. The project is now substantially complete and in use. Building deficiencies are being finalized and rectified. To date, costs of approximately \$93,500,000 have been incurred on the project.

Total construction costs for the Tom Baker Cancer Centre expansion project are estimated to be \$3,970,000. This project is to be funded by the Department of Public Works, Supply and Services. It is expected to be complete by January, 1996. To date, costs of approximately \$238,000 have been incurred on the project.

Note 8 Related Party Transactions

(a) Alberta Cancer Foundation

The Board controls the Alberta Cancer Foundation, which raises money for cancer research and other cancer related activities and services. It is registered with Revenue Canada as a charitable foundation. During the year, the Board received operating and research grants from the Alberta Cancer Foundation, net of grants returned, totalling \$1,440,848 (1994 \$1,056,008), and made a contribution to the Foundation amounting to \$960,794 (1994 \$Nil) which is included in general expenditure of the discretionary fund.

Certain senior management salaries and accommodation costs amounting to approximately \$52,265 (1994 \$49,482) incurred in the administration of the Foundation are borne by the Board and are included as expenditure of the Board. The Alberta Cancer Foundation is not consolidated in these financial statements. Audited financial statements of the Foundation are available upon request.

(b) Cross Cancer Institute Volunteer Association

The Board exercises significant influence over the Cross Cancer Institute Volunteer Association which is a society created to provide services for the care and comfort of patients of the Cross Cancer Institute.

The Association administers the Lunch Program, Hostess Carts, Sun Room and Gift Shop which earned operating revenues of \$189,397 (1994 \$177,095) and incurred operating expenditures of \$109,336 (1994 \$94,797). The net revenues of \$80,061 (1994 \$82,298) were expended by the Association, at its discretion, in accordance with the Association's objectives.

Certain accommodation costs, and a portion of salary costs incurred in the administration of the Association, are borne by the Board and are included as expenditure of the Board.

Note 9 Budget

The 1995 budget was approved by the Board on June 9, 1994.

Note 10 Comparative Figures

Certain 1994 figures have been reclassified to conform to 1995 presentation.

Note 11 Approval of Financial Statements

These financial statements were approved by management.

Schedule 1

ALBERTA CANCER BOARD
SCHEDULE OF DEFERRED GRANTS
FOR THE YEAR ENDED MARCH 31, 1995

	Deferred, Beginning of Year	Grants Received	Interest	Transferred to Capital Equity	Released to Revenue	Returned to Grantors	Deferred, End of Year
Department of Health:							
General Revenue Fund:							
Designated grants	\$ 2,056,639	\$ 1,912,615	\$ 99,972	\$ (176,403)	\$ (2,757,222)	\$ (110,619)	\$ 1,024,982
Global funding	400,000	59,784,735	—	(25,871)	(60,158,864)	—	—
Alberta Heritage Savings Trust Fund	38,850	2,800,000	3,939	(146,172)	(2,254,691)	(187,714)	254,212
Department of Public Works, Supply and Services	4,697,023	12,454,000	342,834	(8,881,838)	(200)	(57,569)	8,554,250
Alberta Cancer Foundation	482,400	1,604,994	—	(422,601)	(1,091,867)	(164,146)	408,780
Lottery Fund of the Province of Alberta	594,012	2,097,000	59,683	(190,173)	—	(3,175)	2,557,347
Other	1,732,073	4,081,798	112	(59,400)	(3,874,643)	(37,707)	1,842,233
Total 1995	<u>\$ 10,000,997</u>	<u>\$ 84,735,142</u>	<u>\$ 506,540</u>	<u>\$ (9,902,458)</u>	<u>\$ (70,137,487)</u>	<u>\$ (560,930)</u>	<u>\$ 14,641,804</u>
Total 1994	<u>\$ 15,305,845</u>	<u>\$ 88,283,153</u>	<u>\$ 646,777</u>	<u>\$ (21,334,565)</u>	<u>\$ (72,094,023)</u>	<u>\$ (806,190)</u>	<u>\$ 10,000,997</u>

Deferred grants at the end of the year are summarized as follows:

	1994	1995
Capital	\$ 5,928,815	\$11,742,525
Operating	2,168,678	802,212
Research	1,903,504	2,097,067
	<u>\$10,000,997</u>	<u>\$14,641,804</u>

Schedule 2

ALBERTA CANCER BOARD
SCHEDULE OF GENERAL EXPENDITURE BY FUNCTION
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 9)		
Diagnostic and therapeutic services	\$18,098,615	\$19,494,934	\$17,897,788
Administration and support services	17,086,660	16,030,757	16,292,635
Ambulatory care services	12,858,809	10,674,535	11,939,837
Medical services	5,118,568	4,869,652	5,396,170
Nursing inpatient services	5,533,140	5,430,076	4,750,233
Special programs and discretionary expenditures	6,217,866	3,684,966	4,687,362
Epidemiology	1,881,283	1,652,838	1,687,900
Research	1,320,794	1,340,990	1,081,649
Other operating	—	801,757	1,355,451
Education	656,487	649,072	644,648
	<u>\$68,772,222</u>	<u>\$64,629,577</u>	<u>\$65,733,673</u>

Schedule 3

ALBERTA CANCER BOARD
SCHEDULE OF GENERAL EXPENDITURE BY TYPE
FOR THE YEAR ENDED MARCH 31, 1995

	1995		1994
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 9)		
Salaries and benefits	\$31,928,041	\$31,977,747	\$34,091,452
Medical staff salaries	9,810,108	10,034,656	10,440,123
Drug expenses	8,000,000	7,988,645	7,912,421
General supplies	9,857,580	6,432,394	4,720,135
Purchased services	4,288,589	4,197,229	4,409,559
Departmental sundry	2,521,174	2,440,373	2,727,165
Maintenance and rent	2,366,730	1,558,533	1,432,818
	<u>\$68,772,222</u>	<u>\$64,629,577</u>	<u>\$65,733,673</u>

ALBERTA CANCER BOARD
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 1995

	1995				1994	
	Number of Individuals	Salary ^(a)	Benefits and Allowances ^(b)	Total	Number of Individuals	Total
Chairman of the Board	1	\$ 7,584	\$ —	\$ 7,584	1	\$ 6,125
Board members	10	18,940	—	18,940	7	8,155
Chief Executive Officer ^(c)	1	189,994	15,200	205,194	1	258,995
Vice President	1	82,871	13,314	96,185	1	100,577
Finance Director	1	72,150	11,689	83,839	1	87,661
Information Systems Director	1	71,543	11,593	83,136	1	86,898
Quality Management Director ^(d)	1	52,718	11,408	64,126	1	85,419
Human Resources Director	1	68,610	11,096	79,706	1	83,342
Other full-time staff: ^(e)						
Management staff (average \$47,220, 1994 \$49,784)	136	5,666,377	755,502	6,421,879	135	6,720,866
Nurses (average \$49,515, 1994 \$52,015)	67	2,927,749	389,767	3,317,516	67	3,485,029
Technical (average \$44,165, 1994 \$46,608)	138	5,376,524	718,291	6,094,815	136	6,338,685
Professional/support (average \$54,446, 1994 \$56,986)	22	1,058,990	138,819	1,197,809	22	1,253,684
Scientific (average \$66,190, 1994 \$69,285)	30	1,759,828	225,863	1,985,691	30	2,078,540
General support (average \$27,189, 1994 \$28,840)	231	5,590,082	690,542	6,280,624	228	6,575,530
Medical staff ^(f) (average \$165,880, 1994 \$173,705)	46	6,999,369	631,113	7,630,482	46	7,990,407
Part-time and casual wage staff		7,288,698	878,360	8,167,058		8,392,778
		<u>\$37,232,027</u>	<u>\$ 4,502,557</u>	<u>\$41,734,584^(g)</u>		<u>\$43,552,691</u>

(a) Salary includes regular base pay, bonuses, overtime, lump sum payments, honoraria and any other direct remuneration.

(b) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, post-employment benefits, health care, dental coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, and long and short-term disability plans.

(c) The Chief Executive Officer is provided with an automobile, no dollar amount is included under benefits and allowances.

(d) The Quality Management Director's position was only staffed for 9 months during the year.

(e) Full-time staff consists of all individuals working 29 hours or more per week.

(f) During the year, 27 of the medical staff became incorporated as professional corporations. Payments to the professional corporations are included as salaries and benefits. As a result of this change in status, vacation pay in the amount of \$319,969 (see footnote (g)) was paid to these medical staff.

(g) The total salaries and benefits of \$41,734,584 is comprised of salaries and benefits of \$31,977,747 and medical staff salaries of \$10,034,656 as outlined in Schedule 3, less \$427,000 for an increase in pension liability (see Note 6), plus \$442,626 for a decrease in accrued vacation pay during the year (see Note 5), less \$319,969 for vacation payouts (see footnote (f)), plus \$26,524 in honoraria to Board members, including the Chairman.

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditors' Report

Consolidated Balance Sheet

Consolidated Statement of Revenue and Expenditure - Operating Fund

Consolidated Statement of Revenue and Expenditure - Capital Fund

Consolidated Statement of Revenue and Expenditure - Restricted Fund

Consolidated Statement of Equity

AUDITORS' REPORT

To the Members of the Board

Aspen Regional Health Authority #11

We have audited the consolidated balance sheet of Aspen Regional Health Authority #11 as at March 31, 1995, the consolidated statements of revenue and expenditure for the operating, capital and restricted funds and the consolidated statement of equity for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies as described in note 3 to the financial statements.

Clews, Shoemaker, Martin & Hathorn
Chartered Accountants

Westlock, Alberta
June 20, 1995

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED BALANCE SHEET
MARCH 31, 1995

	Acute Care and Combined Facilities								
	RHA Central Administration	Athabasca General & Auxiliary Hospital	Barhead General Hospital & Dr. W.R. Keir Care Centre	Boyle General Hospital	Fox Creek Hospital	Mayerthorpe General & Auxiliary Hospital	Swan Hills General Hospital	Westlock Immaculata Hospital	Whitecourt General Hospital
ASSETS									
Current Assets									
Cash and short term investments	\$ 1,144,271	\$ 1,606,547	\$ 1,755,225	\$ 70,857	\$ 47,821	\$ 363,962	\$ 612,566	\$ 2,234,229	\$ 156,023
Accounts receivable	3,199	126,277	70,079	13,502	46,410	31,062	3,310	230,239	116,432
Inventories	—	65,718	124,807	44,488	—	85,697	22,446	109,624	73,581
Prepaid expenses	36,000	11,777	125,702	8,992	4,027	4,672	5,139	8,232	13,220
Total current assets	1,183,470	1,810,319	2,075,813	137,839	98,258	485,393	643,461	2,582,324	359,256
Portfolio Investments (Note 4)	—	—	—	—	78,920	—	200	—	95,125
Capital Assets (Note 5)	64,996	12,143,691	9,137,414	871,085	1,206,319	6,513,807	5,703,213	14,548,649	659,207
Total Assets	\$ 1,248,466	\$ 13,954,010	\$ 11,213,227	\$ 1,008,924	\$ 1,383,497	\$ 6,999,200	\$ 6,346,874	\$ 17,130,973	\$ 1,113,588
LIABILITIES AND EQUITY									
Current Liabilities									
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14,331	\$ —	\$ —
Accounts payable	37,301	136,094	253,590	44,947	131,739	229,462	11,146	740,903	230,500
Other accrued liabilities	—	401,349	791,080	78,279	—	—	108,775	439,370	—
Current portion of long term debt	—	61,303	—	—	—	—	—	—	—
Deferred revenue	264,247	42,166	710,185	—	8,000	—	—	975,670	9,613
Total current liabilities	301,548	640,912	1,754,855	123,226	139,739	229,462	134,252	2,155,943	240,113
Long Term Debt (Note 6)	—	732,187	—	—	—	—	—	—	—
Unfunded Pension Liability (Note 7)	—	205,898	515,880	104,146	48,537	169,486	76,476	310,955	122,734
Total Liabilities	301,548	1,578,997	2,270,735	227,372	188,276	398,948	210,728	2,466,896	362,847
EQUITY									
Operating Fund	881,922	915,820	421,384	(89,533)	(11,098)	86,432	421,695	38,278	91,534
Restricted Fund	—	108,992	70,314	—	—	—	167,303	77,148	—
Equity in Capital Assets	64,996	11,350,201	8,450,794	871,085	1,206,319	6,513,820	5,547,148	14,548,649	659,207
Total Liabilities and Equity	\$ 1,248,466	\$ 13,954,010	\$ 11,213,227	\$ 1,008,924	\$ 1,383,497	\$ 6,999,200	\$ 6,346,874	\$ 17,130,973	\$ 1,113,588

Approved by:

Robert Jackson, Chairman

Robert Cable, Chief Executive Officer

BOARD-GOVERNED INSTITUTIONS

ASPEN REGIONAL HEALTH AUTHORITY #11
 CONSOLIDATED BALANCE SHEET (continued)
 MARCH 31, 1995

	Long Term Care Facilities				Health Units (partial)				
	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Mayerthorpe General & Auxiliary Hospital	Westlock Immaculata Hospital	Thorhild Westlock Auxiliary Hospital and Nursing Home	Athabasca Health Unit	Sturgeon Health Unit	Stony Plain Lac Ste. Anne Health Unit	Total
ASSETS									
Current Assets									
Cash and short term investments		Combined with Acute Care			\$ 531,760	\$ 211,767	\$ 154,388	\$ 103,349	\$ 8,992,765
Accounts receivable					42,962	9,624	13,208	3,906	710,210
Inventories					37,374	—	—	—	563,735
Prepaid expenses					733	24,651	—	10,051	253,196
Total current assets					612,829	246,042	167,596	117,306	10,519,906
Portfolio Investments (Note 4)					300	—	—	—	174,545
Capital Assets (Note 5)					4,646,228	868,470	534,865	21,612	56,919,556
Total Assets					\$ 5,259,357	\$ 1,114,512	\$ 702,461	\$ 138,918	\$67,614,007
LIABILITIES AND EQUITY									
Current Liabilities									
Bank indebtedness					\$ —	\$ —	\$ —	\$ —	\$ 14,331
Accounts payable					348,733	133,129	28,101	32,804	2,358,449
Other accrued liabilities					31,785	66,113	101,911	58,957	2,077,619
Current portion of long term debt					—	—	—	—	61,303
Deferred revenue					—	16,103	3,340	—	2,029,324
Total current liabilities					380,518	215,345	133,352	91,761	6,541,026
Long Term Debt (Note 6)					—	—	—	—	732,187
Unfunded Pension Liability (Note 7)					268,294	109,526	123,292	60,447	2,115,671
Total Liabilities					648,812	324,871	256,644	152,208	9,388,884
EQUITY									
Operating Fund					(73,638)	(78,829)	(89,048)	(34,902)	2,480,017
Restricted Fund					37,955	—	—	—	461,712
Equity in Capital Assets					4,646,228	868,470	534,865	21,612	55,283,394
Total Liabilities and Equity					\$ 5,259,357	\$ 1,114,512	\$ 702,461	\$ 138,918	\$67,614,007

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE
OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 1995

Acute Care and Combined Facilities									
	RHA Central Administration	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Boyle General Hospital	Fox Creek Hospital	Mayerthorpe General & Auxiliary Hospital	Swan Hills General Hospital	Westlock Immaculata Hospital	Whitecourt General Hospital
Revenue:									
Contributions from Alberta Health	\$ 1,307,920	\$ 3,634,676	\$ 4,822,433	\$ 1,708,708	\$ 946,298	\$ 2,544,266	\$ 1,699,307	\$ 4,924,096	\$ 2,502,115
Client fees and charges	—	298,373	103,205	40,744	52,929	120,587	33,272	146,162	110,946
Debenture levy - interest portion	—	101,290	—	—	—	—	—	—	—
Other	1,098	150,553	172,230	30,338	68,653	95,604	62,736	369,850	159,880
Total revenue	1,309,018	4,184,892	5,097,868	1,779,790	1,067,880	2,760,457	1,795,315	5,440,108	2,772,941
Expenditures:									
Salaries and benefits	216,634	2,564,654	3,830,887	1,321,557	773,918	2,046,246	1,191,123	3,843,548	2,032,583
Drugs	—	54,066	93,923	21,843	19,199	91,947	—	160,217	81,687
Physical plant supplies									
maintenance and rent	—	282,126	267,398	107,146	60,255	132,955	101,566	166,568	77,130
Dietary	—	67,400	56,193	18,175	10,603	57,791	73,699	91,439	66,868
Depreciation/amortization	6,339	339,061	293,334	45,878	169,235	440,178	259,428	213,528	93,658
Other	147,069	654,547	601,459	276,052	200,310	469,046	296,797	627,115	491,288
Interest on long term debt	—	101,290	—	—	—	—	—	—	—
Total Operating Expenditures	370,042	4,063,144	5,143,194	1,790,651	1,233,520	3,238,163	1,922,613	5,102,415	2,843,214
Operating Surplus/(Deficit)									
Before Interfund Transfers	938,976	121,748	(45,326)	(10,861)	(165,640)	(477,706)	(127,298)	337,693	(70,273)
Interfund Transfers									
(To)/From Capital Fund	(57,054)	339,061	293,334	45,878	169,235	440,178	230,247	213,528	93,658
(To)/From Restricted Fund	—	(108,992)	363,131	—	—	—	—	—	—
Operating Surplus/(Deficit)	\$ 881,922	\$ 351,817	\$ 611,139	\$ 35,017	\$ 3,595	\$ (37,528)	\$ 102,949	\$ 551,221	\$ 23,385

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE
CAPITAL FUND
FOR THE YEAR ENDED MARCH 31, 1995

Acute Care and Combined Facilities									
	RHA Central Administration	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Boyle General Hospital	Fox Creek Hospital	Mayerthorpe General & Auxiliary Hospital	Swan Hills General Hospital	Westlock Immaculata Hospital	Whitecourt General Hospital
Revenues:									
Provincial Government funding	\$ 8,007	\$ 19,514	\$ 78,890	\$ 132,376	\$ —	\$ 11,459	\$ —	\$ 7,565,000	\$ —
Debenture Levy - capital portion	—	54,735	—	—	—	—	—	—	—
Other	—	19,681	—	1,994	25,421	12,442	534	297,347	46,525
Total Revenues	8,007	93,930	78,890	134,370	25,421	23,901	534	7,862,347	46,525
Expenditures:									
Pre-opening expenses	—	—	—	—	—	—	—	70,605	—
Assets under capitalization threshold	—	—	—	—	—	—	—	336,306	—
Other	65	—	—	—	—	—	10,231	22,537	—
Total Expenditures	65	—	—	—	—	—	10,231	429,448	—
Capital Surplus/(Deficit)									
Before Interfund Transfers	7,942	93,930	78,890	134,370	25,421	23,901	(9,697)	7,432,899	46,525
Interfund Transfers:									
(To)/From Operating Fund	57,054	(496,576)	(293,334)	(45,878)	(169,235)	(628,293)	(230,247)	(225,875)	(93,658)
(To)/From Restricted Fund	—	—	193,744	—	—	—	—	—	—
Capital Surplus/(Deficit)	\$ 64,996	\$ (402,646)	\$ (20,700)	\$ 88,492	\$ (143,814)	\$ (604,392)	\$ (239,944)	\$ 7,207,024	\$ (47,133)

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE
OPERATING FUND (continued)
FOR THE YEAR ENDED MARCH 31, 1995

	Long Term Care Facilities					Health Units (partial)			Total
	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Mayerthorpe General & Auxiliary Hospital	Westlock Immaculata Hospital	Thorhild Westlock Auxiliary Hospital and Nursing Home	Athabasca Health Unit	Sturgeon Health Unit	Stony Plain Lac Ste. Anne Health Unit	
Revenue:									
Contributions from Alberta Health	\$ 838,874	\$ 3,466,100	\$ 1,103,981	\$ 120,974	\$ 3,451,368	\$ 1,465,599	\$ 2,964,575	\$ 1,499,075	\$39,000,365
Client fees and charges	264,281	1,122,195	299,862	22,808	1,132,585	—	35,742	—	3,783,691
Debenture levy - interest portion	—	—	—	—	—	—	—	—	101,290
Other	5,943	72,092	6,860	—	194,628	31,493	53,023	35,501	1,510,482
Total revenue	1,109,098	4,660,387	1,410,703	143,782	4,778,581	1,497,092	3,053,340	1,534,576	44,395,828
Expenditures:									
Salaries and benefits	901,498	3,823,567	1,218,108	134,324	4,012,800	1,168,796	2,394,268	1,164,310	32,638,821
Drugs	12,963	83,295	16,754	2,571	73,522	—	—	—	711,987
Physical plant supplies									
maintenance and rent	69,888	267,398	53,707	7,289	187,482	123,257	194,122	—	2,098,287
Dietary	35,539	175,201	63,936	4,177	164,209	—	—	—	885,230
Depreciation/amortization	157,515	241,482	188,115	12,347	—	34,765	37,804	19,236	2,551,903
Other	78,218	281,606	69,646	3,302	407,828	246,599	561,070	361,940	5,773,892
Interest on long term debt	—	—	—	—	—	—	—	—	101,290
Total Operating Expenditures	1,255,621	4,872,549	1,610,266	164,010	4,845,841	1,573,417	3,187,264	1,545,486	44,761,410
Operating Surplus/(Deficit)									
Before Interfund Transfers	(146,523)	(212,162)	(199,563)	(20,228)	(67,260)	(76,325)	(133,924)	(10,910)	(365,582)
Interfund Transfers									
(To)/From Capital Fund	157,515	241,482	188,115	12,347	—	34,765	37,804	19,236	2,459,329
(To)/From Restricted Fund	—	—	—	—	(37,955)	—	—	—	216,184
Operating Surplus/(Deficit)	\$ 10,992	\$ 29,320	\$ (11,448)	\$ (7,881)	\$ (105,215)	\$ (41,560)	\$ (96,120)	\$ 8,326	\$ 2,309,931

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE
CAPITAL FUND (continued)
FOR THE YEAR ENDED MARCH 31, 1995

	Long Term Care Facilities					Health Units (partial)			Total
	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Mayerthorpe General & Auxiliary Hospital	Westlock Immaculata Hospital	Thorhild Westlock Auxiliary Hospital and Nursing Home	Athabasca Health Unit	Sturgeon Health Unit	Stony Plain Lac Ste. Anne Health Unit	
Revenues:									
Provincial Government funding	Combined	\$ 6,564	Combined with Acute Care	\$ 4,782	\$ —	\$ —	\$ —	\$ —	\$ 7,826,592
Debenture Levy - capital portion	with Acute	—		—	—	—	—	—	54,735
Other	Care	—		—	—	—	—	—	403,944
Total Revenues		6,564		4,782	—	—	—	—	8,285,271
Expenditures:									
Pre-opening expenses		—		—	—	—	—	—	70,605
Assets under capitalization threshold		—		—	—	—	—	—	336,306
Other		—		6,040	—	—	—	—	38,873
Total Expenditures		—		6,040	—	—	—	—	445,784
Capital Surplus/(Deficit)									
Before Interfund Transfers		6,564		(1,258)	—	—	—	—	7,839,487
Interfund Transfers:									
(To)/From Operating Fund		(241,482)		—	(34,765)	(37,804)	(19,236)	(2,459,329)	
(To)/From Restricted Fund		21,187		—	—	—	—	—	214,931
Capital Surplus/(Deficit)		\$ (213,731)		\$ (1,258)	\$ (34,765)	\$ (37,804)	\$ (19,236)	\$ 5,595,089	

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE
RESTRICTED FUND
FOR THE YEAR ENDED MARCH 31, 1995

Acute Care and Combined Facilities										
	RHA Central Administration	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Boyle General Hospital	Fox Creek Hospital	Mayerthorpe General & Auxiliary Hospital	Swan Hills General Hospital	Westlock Immaculata Hospital	Whitecourt General Hospital	
Revenues:										
Donations	\$ —	\$ —	\$ 34,388	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Interest	—	—	13,168	—	—	—	—	—	—	
Other	—	—	—	—	—	—	11,064	—	—	
Total Revenues	—	—	47,556	—	—	—	11,064	—	—	
Expenditures:										
Repairs and Maintenance	—	—	—	—	—	—	24,465	—	—	
Depreciation	—	—	—	—	—	—	3,937	—	—	
Other	—	—	—	—	—	—	124	—	—	
Total Expenditures	—	—	—	—	—	—	28,526	—	—	
Capital Surplus/(Deficit)										
Before Interfund Transfers	—	—	47,556	—	—	—	(17,462)	—	—	
Interfund Transfers:										
(To)/From Operating Fund	—	108,992	(363,131)	—	—	—	—	—	—	
(To)/From Capital Fund	—	—	(193,744)	—	—	—	—	—	—	
Capital Surplus/(Deficit)	\$ —	\$ 108,992	\$ (509,319)	\$ —	\$ —	\$ —	\$ (17,462)	\$ —	\$ —	

ASPEN REGIONAL HEALTH AUTHORITY #11
CONSOLIDATED STATEMENT OF EQUITY
FOR THE YEAR ENDED MARCH 31, 1995

Acute Care and Combined Facilities										
	RHA Central Administration	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Boyle General Hospital	Fox Creek Hospital	Mayerthorpe General & Auxiliary Hospital	Swan Hills General Hospital	Westlock Immaculata Hospital	Whitecourt General Hospital	
Operating:										
Opening Equity	\$ —	\$ 553,011	\$ (219,075)	\$ (124,550)	\$ (14,693)	\$ 135,408	\$ 318,746	\$ (505,062)	\$ 68,149	
Current Year Surplus/(Deficit) - Acute	881,922	351,817	611,139	35,017	3,595	(37,528)	102,949	551,221	23,385	
Current Year Surplus/(Deficit) - Long										
Term Care	—	10,992	29,320	—	—	(11,448)	—	(7,881)	—	
Closing Equity	\$ 881,922	\$ 915,820	\$ 421,384	\$ (89,533)	\$ (11,098)	\$ 86,432	\$ 421,695	\$ 38,278	\$ 91,534	
Capital:										
Opening Equity	\$ —	\$ 11,752,847	\$ 8,685,225	\$ 782,593	\$ 1,350,133	\$ 7,118,212	\$ 5,787,092	\$ 7,341,625	\$ 706,340	
Current Year Surplus/(Deficit) - Acute	64,996	(402,646)	(20,700)	88,492	(143,814)	(604,392)	(239,944)	7,207,024	(47,133)	
Current Year Surplus/(Deficit) - Long										
Term Care	—	—	(213,731)	—	—	—	—	—	—	
Closing Equity	\$ 64,996	\$ 11,350,201	\$ 8,450,794	\$ 871,085	\$ 1,206,319	\$ 6,513,820	\$ 5,547,148	\$ 14,548,649	\$ 659,207	
Restricted Funds:										
Opening Equity	\$ —	\$ —	\$ 563,663	\$ —	\$ —	\$ —	\$ 184,765	\$ 77,148	\$ —	
Current Year Surplus/(Deficit) - Acute	—	108,992	(509,319)	—	—	—	(17,462)	—	—	
Current Year Surplus/(Deficit) - Long										
Term Care	—	—	15,970	—	—	—	—	—	—	
Closing Equity	\$ —	\$ 108,992	\$ 70,314	\$ —	\$ —	\$ —	\$ 167,303	\$ 77,148	\$ —	

ASPEN REGIONAL HEALTH AUTHORITY #11
 CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE
 RESTRICTED FUND (continued)
 FOR THE YEAR ENDED MARCH 31, 1995

	Long Term Care Facilities					Health Units (partial)			Total
	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Mayerthorpe General & Auxiliary Hospital	Westlock Immaculata Hospital	Thorhild Westlock Auxiliary Hospital and Nursing Home	Athabasca Health Unit	Sturgeon Health Unit	Stony Plain Lac Ste. Anne Health Unit	
Revenues:									
Donations	\$ —	\$ 15,970	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 50,358
Interest	—	21,187	—	—	—	—	—	—	34,355
Other	—	—	—	—	—	—	—	—	11,064
Total Revenues	—	37,157	—	—	—	—	—	—	95,777
Expenditures:									
Repairs and Maintenance	—	—	—	—	—	—	—	—	24,465
Depreciation	—	—	—	—	—	—	—	—	3,937
Other	—	—	—	—	—	—	—	—	124
Total Expenditures	—	—	—	—	—	—	—	—	28,526
Capital Surplus/(Deficit)									
Before Interfund Transfers	—	37,157	—	—	—	—	—	—	67,251
Interfund Transfers:									
(To)/From Operating Fund	—	—	—	—	37,955	—	—	—	(216,184)
(To)/From Capital Fund	—	(21,187)	—	—	—	—	—	—	(214,931)
Capital Surplus/(Deficit)	\$ —	\$ 15,970	\$ —	\$ —	\$ 37,955	\$ —	\$ —	\$ —	\$ (363,864)

ASPEN REGIONAL HEALTH AUTHORITY #11
 CONSOLIDATED STATEMENT OF EQUITY (continued)
 FOR THE YEAR ENDED MARCH 31, 1995

	Long Term Care Facilities					Health Units (partial)			Total
	Athabasca General & Auxiliary Hospital	Barrhead General Hospital & Dr. W.R. Keir Care Centre	Mayerthorpe General & Auxiliary Hospital	Westlock Immaculata Hospital	Thorhild Westlock Auxiliary Hospital and Nursing Home	Athabasca Health Unit	Sturgeon Health Unit	Stony Plain Lac Ste. Anne Health Unit	
Operating:									
Opening Equity		Combined with Acute Care			\$ 31,577	\$ (37,269)	\$ 7,072	\$ (43,228)	\$ 170,086
Current Year Surplus/(Deficit) - Acute					(105,215)	(41,560)	(96,120)	8,326	2,288,948
Current Year Surplus/(Deficit) - Long Term Care					—	—	—	—	20,983
Closing Equity					\$ (73,638)	\$ (78,829)	\$ (89,048)	\$ (34,902)	\$ 2,480,017
Capital:									
Opening Equity					\$ 4,647,486	\$ 903,235	\$ 572,669	\$ 40,848	\$49,688,305
Current Year Surplus/(Deficit) - Acute					(1,258)	(34,765)	(37,804)	(19,236)	5,808,820
Current Year Surplus/(Deficit) - Long Term Care					—	—	—	—	(213,731)
Closing Equity					\$ 4,646,228	\$ 868,470	\$ 534,865	\$ 21,612	\$55,283,394
Restricted Funds:									
Opening Equity	\$ —				\$ —	\$ —	\$ —	\$ —	\$ 825,576
Current Year Surplus/(Deficit) - Acute					37,955	—	—	—	(379,834)
Current Year Surplus/(Deficit) - Long Term Care					—	—	—	—	15,970
Closing Equity	\$ 37,955				\$ —	\$ —	\$ —	\$ —	\$ 461,712

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority, Purpose and Operations

The Aspen Regional Health Authority #11 ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is a registered charity under the Income Tax Act and is therefore exempt from payment of income tax.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The Authority assumed the assets, liabilities, surplus and operations of the following entities ("the Divisions") during the year pursuant to Orders-in-Council or Ministerial Orders issued under the Regional Health Authorities Act, on the dates listed below:

<u>Entity</u>	<u>Effective Date</u>
Athabasca General and Auxiliary Hospital and Nursing Home District No. 13	March 31, 1995
Barrhead General Hospital and Dr. W.R. Keir Care Centre	March 31, 1995
Boyle General Hospital	March 31, 1995
Fox Creek Hospital	March 31, 1995
Mayerthorpe General and Auxiliary Hospital	March 31, 1995
Swan Hills General Hospital	March 31, 1995
Thorhild Westlock Auxiliary Hospital and Nursing Home	March 31, 1995
Whitecourt General Hospital	March 31, 1995
Immaculata Hospital *	March 31, 1995

In anticipation of the above transfers, some of the facilities entered into management agreements with the Authority prior to March 31, 1995.

* Although the Immaculata Hospital operated as a voluntary facility for the year ended March 31, 1995, the Authority assumed the assets, liabilities, surplus and operations effective March 31, 1995. For this reason, the assets, liabilities, equity and statement of operations have been consolidated as one of the Authority's divisions rather than disclosed as other voluntary organizations in Note 8.

The assets, liabilities, surplus and operations of the Athabasca Health Unit were assumed in part by the Authority, and in part by the Keeweenaw Lakes Regional Health Authority and the Lakeland Regional Health Authority pursuant to Order-in-Council, and allocation guidelines prescribed by the Minister of Health.

The assets, liabilities, surplus and operations of the Sturgeon Health Unit were assumed in part by the Authority, and in part by the Capital Regional Health Authority and the Lakeland Regional Health Authority pursuant to Order-in-Council, and allocation guidelines prescribed by the Minister of Health.

The assets, liabilities, surplus and operations of the Stony Plain-Lac Ste. Anne Health Unit were assumed in part by the Authority, and in part by the WestView Regional Health Authority and the Mistahia Regional Health Authority pursuant to Order-in-Council, and allocation guidelines prescribed by the Minister of Health.

The Divisions described, above, have changed their names effective April 1, 1995.

Note 2 Basis of Presentation

These financial statements are prepared on a consolidated basis and reflect the assets, liabilities, surplus and operations of the Authority. The assets, liabilities, surplus and operations of the entities listed in Note 1 and for the Regional Health Authority Central Administration Division have been presented in separate audited financial statements.

No comparative information is disclosed in these consolidated financial statements as the Authority assumed the assets and liabilities and operations effective March 31, 1995.

Note 3 Significant Accounting Policies and Reporting Practices

(a) Basis of accounting

The Authority and its Divisions use the accrual method of accounting for both revenue and expense recognition.

These financial statements are prepared on a fund basis of accounting with established funds as follows:

Operating Fund - includes daily operations of the Authority and its Divisions.

Capital Fund - reflects the Authority's and its Divisions' short-term and long-term capital requirements.

Restricted Fund - reflects the activities relating to endowments, bequests and trust funds made available to the Authority and its Divisions under conditions specified by the donors, or as specified by the Board of Directors.

(b) Capital assets

Capital assets are recorded at cost. Amortization is calculated using the straight line method based on estimated useful life and charged to the operating fund in all Divisions, except the Thorhild Westlock Auxiliary Hospital and Nursing Home where no amortization is charged in the accounts, at the following annual rates:

Site improvements	5%-7-1/2%
Buildings	2-1/2% - 5%
Equipment	5% - 20%
Vehicles	20%

(c) Inventories

Inventories are recorded at the lower of cost and replacement cost.

(d) Equipment grants

Capital grants are treated as revenue to the Capital Fund when the equipment is purchased or related expenditures are made. Unexpended capital grants are recorded as deferred revenue. All Divisions record capital grants as noted above except for the Barrhead General Hospital and Dr. W.R. Keir Care Centre. These two facilities record capital grants in the Capital Fund where they are deferred and amortized into income over the life of the capital item to which they relate. Unamortized grants are recorded as deferred revenue.

(e) Pension costs and obligations

The pension obligation represents the Authority's and its Divisions' portion of the unfunded pension liability of the Public Service Pension Plan and Local Authorities Pension Plan incurred on behalf of the Authority's and its Divisions' employees.

The cost of the obligations earned by employees during the year and interest on the portion of unfunded liabilities, which the Authority and its Divisions are now required to fund, are recorded as expenditure for the year. The cost is comprised of a cash amount and a non-cash amount. The cash amount is included as part of employee costs. The non-cash amount is included in other expenses.

(f) Accrued Vacation Pay

Accrued vacation pay is recorded when earned.

(g) Donations

Donations have been recorded as revenue to the capital fund when received, except for the Barrhead General Hospital and Dr. W.R. Keir Care Centre where they have been recorded as revenue to the restricted fund.

Note 4 Long Term Investments

<u>Instrument</u>	<u>Maturity Date</u>	<u>Cost/ Principal</u>	<u>Interest Rate (Per Annum)</u>
Fox Creek Hospital			
Guaranteed Investment Certificate	Jan. 20, 1996	\$ 50,000	9.75%
Guaranteed Investment Certificate	Feb. 10, 1997	28,795	8.25%
Phoenix Solutions Inc. 12,500 Class A Common Shares		125	
Swan Hills General Hospital			
Phoenix Solutions Inc. 20,000 Class A Common Shares		200	
Thorhild Westlock Auxiliary Hospital and Nursing Home			
Phoenix Solutions Inc. 30,000 Class A Common Shares		300	
Whitecourt General Hospital			
Guaranteed Investment Certificate	Aug. 31, 1995	35,000	11.25%
Guaranteed Investment Certificate	Aug. 31, 1996	35,000	9.05%
Guaranteed Investment Certificate	May 9, 1997	25,000	8.50%
Phoenix Solutions Inc. 12,500 Class A Common Shares		125	
		<u>\$174,545</u>	

Many other Divisions have term deposits of a more current nature which have been included in the cash and short term investment balance.

Note 5 Property and Equipment

	<u>March 31, 1995</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 1,807,494	\$ —	\$ 1,807,494
Site Improvements	2,048,421	944,357	1,104,064
Buildings	64,497,426	17,903,013	46,594,413
Equipment	15,101,690	7,767,921	7,333,769
Vehicles	594,861	515,045	79,816
Total	<u>\$84,049,892</u>	<u>\$27,130,336</u>	<u>\$56,919,556</u>

Note 6 Long Term Debt

(a) Debenture payable, repayable in annual payments of \$112,308, including interest at 12.0% per annum, with maturity date of August, 2002	\$557,906
(b) Debenture payable, repayable in annual payments of \$44,214, including interest at 12.0% per annum, with a maturity date of October, 2003	235,584
	<u>793,490</u>
Deduct principal due within one year	61,303
Due beyond one year	<u>\$732,187</u>

The debentures are secured by land and improvements with an aggregate carrying value of \$1,033,776.

Principal repayments of long-term debt over the next five years are as follows:

1995	\$ 61,303
1996	68,660
1997	76,899
1998	86,127
1999	96,462
Subsequent Years	<u>404,039</u>
	<u>\$793,490</u>

Note 7 Pension Costs and Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and the Public Service Pension Plan which are defined pension plans. The Plans provide pensions for the Authority's employees based on length of service and earnings. Under the Public Sector Pension Plans Act, proclaimed in May 1993, the Government, employers and employees accepted responsibility to pay the unfunded obligation.

The Authority's share of the unfunded past service obligation is based on a percentage of pensionable payroll. The unfunded past service liability of the Plans are extrapolated from an actuarial evaluation performed December 31, 1993 for Local Authorities Pension Plan and on December 31, 1994 for Public Service Pension Plan. The obligation is to be fully funded by December 31, 2043. The unfunded liability is represented as follows:

	1995
Public Service Pension Plan	
The unfunded pension liability applicable to the Authority and its Divisions	\$293,265
Local Authorities Pension Plan	
The unfunded pension liability applicable to the Authority and its Divisions	130,237
Total Unfunded Pension Liability	<u>\$423,502</u>
The pension expense for the year was \$142,299.	

Note 8 Community Agencies, Private and Voluntary Organizations

1994/95 funding for community agencies and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96, the Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Authority, the Total Revenue and Total Expenditure would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue	\$44,395,828
Adjustment for funding, client fees and charges	3,723,474
Total Revenue restated	<u>\$48,119,302</u>
Total Expenditures	\$44,761,410
Adjustment for funding - voluntary facilities*	
- private facilities	3,702,587
- community agencies	20,887
Total Expenditures restated	<u>\$48,484,884</u>

* Note that the Immaculata Hospital in Westlock operated as a voluntary organization for the 1994/95 fiscal year, however all the assets, liabilities, surplus and operations were transferred to the Authority effective March 31, 1995, thus, the results of operations and the financial position at March 31, 1995 have been consolidated into these financial statements as one of the Authority's divisions.

Note 9 Interfacility Transactions Not Eliminated for the Consolidated Financial Statements

The following summarizes the recoveries and expenditures included in the consolidated financial statements representing transactions between the various Divisions of the Authority and with the Authority.

Purpose	Division	Recoveries		Division	Expenditures	
		Amount			Amount	
Finance and payroll services	Whitcourt	\$ 22,109		Fox Creek	\$ 22,109	
	General Hospital			General Hospital		
Material management services	Whitcourt	8,168		Fox Creek	8,168	
	General Hospital			General Hospital		
Pharmacy services	Whitcourt	3,332		Fox Creek	3,332	
	General Hospital			General Hospital		
Administration services	Fox Creek	22,035		Whitcourt	22,035	
	General Hospital			General Hospital		
Nursing administration services	Fox Creek	22,035		Whitcourt	22,035	
	General Hospital			General Hospital		
Pharmacy services and drugs	Immaculata	120,969		Thorhild Westlock	120,969	
	Hospital			Auxiliary Hospital and Nursing Home		
Laundry services	Thorhild Westlock	6,935		Immaculata Hospital	6,935	
	Auxiliary Hospital and Nursing Home					

Rehabilitation services	Thorhild Westlock Auxiliary Hospital and Nursing Home	19,600	Immaculata Hospital	19,600
Administrative Services	Immaculata Hospital	79,969	Aspen Regional Health Authority #1	79,969
	Total	<u>\$305,152</u>		<u>\$305,152</u>

Note 10 Salaries and Benefits

Wage disclosures, as required by the Alberta Government, are as follows:

	Full time Equivalents	Salary	Benefits & Allowances	Total
Robert Jackson, RHA Chairperson		\$ 16,698	\$	\$ 16,698
Gordon Auger		1,060		1,060
Ziad Chmait		8,822		8,822
June Conrad		6,790		6,790
Jean De Champlain		9,848		9,848
Dorothy Greenwood		6,938		6,938
Judy Kidd		13,347		13,347
William Kostiw		5,360		5,360
Gini Labonte		9,550		9,550
Robert Lee		5,703		5,703
Louise Lougheed		8,730		8,730
Robert Merrifield		7,174		7,174
Ross Quinn		6,857		6,857
George Ross		2,514		2,514
Doris Splane		10,057		10,057
Chief Executive Officer of RHA (effective August, 1994)	0.60	31,725	5,077	36,802
	<u>0.60</u>	<u>\$151,173</u>	<u>\$5,077</u>	<u>\$156,250</u>

Salaries include regular base pay, bonuses, overtime, lump sum payments, honoraria and any other remuneration paid because of employment.

Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of the employee including pensions, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.

Note 11 Restatement of Figures from Divisional Audited Financial Statements

Certain figures from the Divisions' audited financial statements have been restated to conform to the policies used in the presentation of the consolidated financial statements.

CALGARY REGIONAL HEALTH AUTHORITY
COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Combined Balance Sheet
Combined Statement of Operating Revenue and Expenditure
Combined Statement of Changes in Equity
Combined Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Honoraria, Salaries and Benefits

AUDITOR'S REPORT

To the Members of the Calgary Regional Health Authority

I have audited the combined balance sheet of the Calgary Regional Health Authority as at March 31, 1995 and the combined statements of operating revenue and expenditure, changes in equity, and changes in financial position for the year then ended. These combined financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these combined financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
July 14, 1995

CALGARY REGIONAL HEALTH AUTHORITY
COMBINED BALANCE SHEET
AS AT MARCH 31, 1995
(thousands of dollars)

	<u>1995</u>	<u>1994</u>
ASSETS		
Current:		
Cash and short-term investments (Note 4)	\$ 99,236	\$108,603
Accounts receivable	20,536	17,270
Inventories	7,373	8,127
Prepaid expenses	1,849	1,306
	<u>128,994</u>	<u>135,306</u>
Long-term investments (Market value \$29,554; 1994 \$22,609)	29,600	22,424
Capital assets (Note 5)	475,619	494,236
	<u>\$634,213</u>	<u>\$651,966</u>
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued liabilities	\$ 93,439	\$ 80,528
Deferred grants	13,053	13,515
Current portion of long-term debt (Note 6)	538	341
	<u>107,030</u>	<u>94,384</u>
Long-term:		
Long-term debt (Note 6)	468	1,007
Employee benefits (Note 7)	6,588	6,845
Pension obligation (Note 8)	39,094	39,167
	<u>46,150</u>	<u>47,019</u>
Equity:		
Investment in capital assets	474,613	492,888
Operating surplus (Note 9)	6,420	17,675
	<u>481,033</u>	<u>510,563</u>
	<u>\$634,213</u>	<u>\$651,966</u>

The accompanying notes and schedule are part of these combined financial statements.

CALGARY REGIONAL HEALTH AUTHORITY
COMBINED STATEMENT OF OPERATING REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	<u>1995</u>	<u>1994</u>
Revenue:		
Grants:		
Operating	\$576,781	\$632,475
Transitional	16,000	—
Patient charges	58,038	56,349
Ancillary, interest and other	56,109	63,776
	<u>706,928</u>	<u>752,600</u>
Expenditure:		
Salaries and benefits (Schedule 1)	507,621	560,877
Plant operations, service contracts and other	119,589	117,949
Drugs and medical supplies	58,223	56,866
Restructuring costs (Note 10)	20,750	—
	<u>706,183</u>	<u>735,692</u>
Excess of revenue over expenditure before amortization of capital assets	745	16,908
Amortization of capital assets (Note 5)	46,492	38,246
Deficiency of revenue over expenditure for the year	<u>\$ (45,747)</u>	<u>\$ (21,338)</u>

CALGARY REGIONAL HEALTH AUTHORITY
COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	Capital	Operating	Total 1995	Total 1994
Balance at beginning of year	\$492,888	\$ 17,675	\$510,563	\$494,724
Deficiency of revenue over expenditure for the year	—	(45,747)	(45,747)	(21,338)
Capital asset purchases funded from:				
Capital grants	15,875	—	15,875	33,365
Operating equity	12,000	(12,000)	—	—
Long-term debt payments	342	—	342	3,812
Transfer for amortization charges	(46,492)	46,492	—	—
Balance at end of year	<u>\$474,613</u>	<u>\$ 6,420</u>	<u>\$481,033</u>	<u>\$510,563</u>

CALGARY REGIONAL HEALTH AUTHORITY
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Operating activities:		
Deficiency of revenue over expenditure	\$ (45,747)	\$ (21,338)
Add (deduct):		
Amortization of capital assets	46,492	38,246
Non-cash pension expense	(73)	(745)
	672	16,163
Changes in working capital	9,394	(25,699)
Cash generated from (used by) operations	<u>10,066</u>	<u>(9,536)</u>
Investing activities:		
Acquisitions of capital assets	(27,875)	(53,820)
Increase in long-term investments	(7,176)	(7,495)
Cash applied to investing activities	<u>(35,051)</u>	<u>(61,315)</u>
Financing activities:		
Capital grants and other	16,217	37,177
Changes in long-term debt and employee benefits	(599)	(3,367)
Cash generated from financing activities	<u>15,618</u>	<u>33,810</u>
Decrease in cash and short-term investments	(9,367)	(37,041)
Cash and short-term investments at beginning of year	<u>108,603</u>	<u>145,644</u>
Cash and short-term investments at end of year	<u>\$ 99,236</u>	<u>\$108,603</u>

CALGARY REGIONAL HEALTH AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995
(all amounts reported in thousands of dollars)

Note 1 Authority and Purpose

The Calgary Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994.

The Authority is a registered charity under the Income Tax Act and is exempt from payment of income tax.

The Authority is responsible for the delivery of health care within the Calgary Region ("Region"). This responsibility includes operating programs and performing research to promote, protect and restore the physical and mental well-being of residents of the Region and facilitate reasonable access to health services without financial or other barriers.

The Authority assumed assets, liabilities and operations of the following entities at various dates pursuant to Disestablishment Orders issued under the Regional Health Authorities Act:

- Alberta Children's Provincial General Hospital,
- Calgary Auxiliary Hospital and Nursing Home District No. 7 (operating as Carewest),
- Calgary Board of Health (operating as Calgary Health Services),
- Calgary General Hospital,
- Foothills Provincial General Hospital,
- Metro-Calgary and Rural General Hospital District No. 93 (operating as Calgary District Hospital Group),
- Mount View Health Unit (portion allocated to the Authority).

Under agreement with the Salvation Army Grace Hospital, the Authority also assumed responsibility for the Women's Health Program, including the assets and liabilities associated with this program. The assets and liabilities transferred to the Authority as a result of this agreement are included in these statements.

These financial statements include the assumed assets, liabilities and operations of all of the above entities (see Note 2(a)).

These financial statements do not include the assets, liabilities or operations of any voluntary, community and private facilities providing health care services in the Region.

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with generally accepted accounting principles. The following are the significant accounting policies.

(a) Basis of Combination

These combined financial statements have been prepared in accordance with the pooling of interest method. Under this method, the book values of assets, liabilities and net assets of each of the entities being combined are added together to form the combined value of assets, liabilities and net assets of the Authority, after making adjustments to put the accounting policies of the merged entities on a common basis. The revenue and expenditure reported by the Authority include amounts for the entire fiscal period of each entity as if they had been combined since their inception. The effective date for the combination is March 31, 1995.

(b) Inventories

Inventories are recorded at the lower of cost or net replacement value.

(c) Long-term Investments

Investments are valued at amortized cost which approximates market value. Any discounts or premiums arising on purchase are amortized over the period to maturity. Gains or losses realized on disposal are recognized in the period of disposal. Losses are recognized for any permanent decline in market values of investments.

(d) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis as follows:

Land improvements	10 years
Buildings and improvements	10 to 40 years
Leased buildings	Term of lease
Equipment	5 to 20 years

Donated equipment is recorded at fair value on receipt.

(e) Capital and Operating Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is accounted for as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value. Assets acquired under capital leases are amortized on the same basis as other capital assets. All other leases are accounted for as operating leases and the rental payments are expensed as incurred.

(f) Pension Plans

The Authority's pension liability is its portion of the pension plan's total unfunded pension liability, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The Authority's portion is based upon the ratio of pensionable earnings of the employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liability, the amortization of deferred adjustments over the expected average remaining service life of employees and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

(g) Revenue Recognition

Operating grants are recognized in the period in which the grant entitlement arises. Operating grants received for a future period are deferred until that future period and are reflected as deferred contributions.

Unrestricted cash donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Capital grants are recorded as deferred contributions until the amount is invested in capital assets at which time the grant is reported as an increase in investment in capital assets.

Revenue from the sale of goods and services is recognized at the time the goods are delivered or the services are provided.

(h) Deferred Grants

Deferred grants represent grants received relating to future years, unspent funds for restricted purposes and unspent capital funds.

Note 3 Merged Entities

Information on net assets contributed by each entity, net of inter-entity transactions, at the date of combination is as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Combined entities:			
Calgary District Hospital Group	\$196,949	\$ 25,929	\$171,020
Foothills Provincial General Hospital	173,456	40,771	132,685
Calgary General Hospital	131,038	34,212	96,826
Alberta Children's Provincial General Hospital	54,318	9,454	44,864
Carewest	43,736	8,911	34,825
Calgary Health Services	3,985	6,480	(2,495)
Salvation Army Grace Hospital	3,415	1,605	1,810
Mount View Health Unit	832	406	426
	<u>607,729</u>	<u>127,768</u>	<u>479,961</u>
Authority's Corporate Office	26,484	25,412	1,072
	<u>\$634,213</u>	<u>\$153,180</u>	<u>\$481,033</u>

Note 4 Cash and Short-term Investments

Cash and short-term investments include \$9,008 (1994 \$9,667) that can only be used for restricted purposes.

Note 5 Capital Assets

	1995			1994
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 14,078	\$ —	\$ 14,078	\$ 13,766
Land improvements	5,162	2,174	2,988	2,991
Buildings and improvements	391,346	112,906	278,440	270,512
Leased buildings	216,391	97,834	118,557	129,433
Equipment	223,120	165,308	57,812	70,954
Construction in progress	3,744	—	3,744	6,580
	<u>\$853,841</u>	<u>\$378,222</u>	<u>\$475,619</u>	<u>\$494,236</u>

Information on leased land, which has been provided to the Authority at a nominal rental, is as follows:

Site	Leased From	Lease Period
Alberta Children's Hospital	Province of Alberta	Expires on April 1, 2012 with an option for renewal for a further ten years.
Peter Lougheed Centre	Province of Alberta	Expires on July 28, 2028 with an option for renewal for a further ten years.
Bow Valley Centre	City of Calgary	A trust condition that land is provided for a period as long as the facilities are operated for health care purposes.

Amortization charges for the year include \$6,983 design costs written-off, relating to the cancellation of a major capital project at the Bow Valley Centre.

Note 6 Long-term Debt

	1995	1994	
Obligations under capital lease	\$ 942	\$1,243	
Debentures	64	105	
	<u>1,006</u>	<u>1,348</u>	
Less current portion	538	341	
	<u>\$ 468</u>	<u>\$1,007</u>	
	Capital Lease	Debentures	Total
Future Payments:			
For the year ending March 31, 1996	\$ 553	\$ 36	\$ 589
For the year ending March 31, 1997	303	36	339
For the year ending March 31, 1998	156	—	156
	<u>\$1,012</u>	<u>\$ 72</u>	<u>1,084</u>
Amount representing interest			78
			<u>\$1,006</u>

The capital leases expire on various dates to March 1998. The implicit interest rates payable on these leases range from 6.73% to 15%.

Debentures mature in 1997 with interest payable at an annual rate of 7.75%.

Note 7 Employee Benefits

Amounts included as employee benefits represent liabilities on long-term disability benefits provided by the Authority to certain of its employees.

Note 8 Pension Obligation

The Authority participates together with other employers in the Local Authorities Pension Plan and the Public Service Pension Plan. These are defined benefit plans and provide pensions for the Authority's employees based on length of service and earnings.

The total pension obligation as at March 31, 1995 was determined by actuarial valuations as at December 31, 1993 extrapolated to March 31, 1995. The 1994 comparative figures were based on an extrapolation of December 31, 1991 actuarial valuations.

The Public Sector Pensions Plans Act specifies the basis to determine the amount of the unfunded liability for the plan which will be funded by employers. The Authority's portion of those employers liabilities was based on the Authority's percentage of total pensionable payroll of all employees. The liability is to be funded by December 31, 2036 through increased contributions by the Authority.

Note 9 Operating Surplus

Operating surplus includes \$10,592 (1994 \$10,995) relating to amounts designated for specific purposes by external parties.

Note 10 Restructuring Costs

A provision has been made for \$20,750 to cover costs relating to the restructuring of health care services in accordance with the Region's Business Plan.

The Authority has announced its intention to close the Holy Cross Hospital and reduce operations at the Bow Valley Centre and relocate the clinical activity from these sites to the remaining sites. As no decision has been made regarding the future use of either of these sites, buildings for these sites have been included at a net book value of \$39,233 for the Holy Cross Hospital and \$17,033 for the Bow Valley Centre. No provision has been made in these financial statements for any possible losses or impairments in value arising from the potential disposal or change in use of these buildings.

Note 11 Related Parties

Contributions to (from) the Authority by (to) related entities are as follows:

	<u>1995</u>	<u>1994</u>
Alberta Children's Hospital Foundation	\$2,435	\$2,163
Foothills Hospital Foundation	1,896	2,685
Calgary General Hospital Foundation	658	164
Calgary District Hospital Group Foundation	323	8
Transfers from Carewest to the Carewest Foundation and from Calgary General Hospital to Calgary General Hospital Foundation	(957)	—
	<u>\$4,355</u>	<u>\$5,020</u>

The Authority provides certain administrative and support services to assist these and other related parties in their operations. These entities solicit donations and undertake fund raising activities to provide operating and capital donations to further the objectives of the Authority.

Note 12 Operating Leases

Annual occupancy costs of approximately \$1,370 are payable in each of the next five years under facility operating leases.

Note 13 Subsequent Event

Effective 1995-96, the Authority became responsible for payments to voluntary, community and private health care facilities which were previously funded by Alberta Health. Grants provided by Alberta Health and approved fees charged by these facilities during 1994-95 amounted to approximately \$93,000. Comparative amounts are not available.

Note 14 Approval of Financial Statements

These financial statements were approved by the Finance and Audit Committee of the Authority.

CALGARY REGIONAL HEALTH AUTHORITY
SCHEDULE OF HONORARIA, SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	Salaries and Honoraria ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total
Board Honoraria			
Chair			
J.R. McCaig	\$ 6	\$ —	\$ 6
Members			
Larry Konschuk	5	—	5
John Simpson	7	—	7
Harvey Cenaiko	8	—	8
Kathleen Clarke	7	—	7
Jean Fraser	6	—	6
Brian Hunt	2	—	2
Phyllis Kane	9	—	9
Glenn Martin	5	—	5
N.D. McDonald	3	—	3
Ken Morris	6	—	6
Sandra Newhouse	7	—	7
Ken Scott	4	—	4
Joe Struck	3	—	3
Art Wirth	6	—	6
	<u>84</u>	<u>—</u>	<u>84</u>
Members of Disestablished Boards	<u>65</u>	<u>—</u>	<u>65</u>
	<u>149</u>	<u>—</u>	<u>149</u>
Salaries and Benefits			
Chief Executive Officer ⁽³⁾	143	—	143
Chief Operating Officers ⁽³⁾			
General Manager, Management and Support Services	73	8	81
Tertiary Academic Regional Services	71	8	79
Community Acute Care Services	68	11	79
Continuing Care	53	10	63
Regional Programs	64	6	70
Public Health	83	9	92
Other executives	2,407	278	2,685
Other managers	34,902	5,256	40,158
Medical staff ⁽⁴⁾	24,346	262	24,608
Nursing staff	159,886	21,153	181,039
Other technical staff	95,268	13,477	108,745
Other staff	123,423	18,432	141,855
Severance payments	7,775	—	7,775
	<u>448,562</u>	<u>58,910</u>	<u>507,472</u>
Total	<u>\$448,711</u>	<u>\$ 58,910</u>	<u>\$507,621</u>

(1) Salaries and honoraria includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

(3) Information provided in respect to the Chief Executive Officer and Chief Operating Officers positions is only for the period from when these positions were occupied.

(4) Medical staff salaries represents payments for administrative and medical services. These include payments for departmental administration, fees for medical interpretation, assessment and procedures, and payments for teaching and on-call services.

(5) No information is provided on number of individuals as the disestablished entities used different methods of computing numbers of staff employed.

CAPITAL HEALTH AUTHORITY
COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Combined Balance Sheet
Combined Statement of Revenue, Expenditure and Fund Balances
Combined Statement of Changes in Financial Position
Notes to the Combined Financial Statements
Schedule 1 - Operating Revenue and Expenditure by Sector
Schedule 2 - Salaries, Benefits and Allowances
Schedule 3 - Information on Voluntary, Private and Community Organizations

AUDITOR'S REPORT

To the Members of the Capital Health Authority

I have audited the combined balance sheet of the Capital Health Authority as at March 31, 1995 and the combined statements of revenue, expenditure and fund balances and changes in financial position for the year then ended. These combined financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these combined financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 15, 1995

CAPITAL HEALTH AUTHORITY
COMBINED BALANCE SHEET
AS AT MARCH 31, 1995
(thousands of dollars)

	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets:		
Cash and short-term investments	\$ 90,528	\$ 80,606
Accounts receivable (Note 5)	15,152	17,554
Inventories	8,927	8,587
Prepaid expenses	<u>1,136</u>	<u>2,755</u>
	115,743	109,502
Long-term investments (Note 6)	36,201	34,111
Assets held for sale (Note 7)	—	1,373
Capital assets (Note 8)	<u>634,974</u>	<u>656,830</u>
	<u>\$786,918</u>	<u>\$801,816</u>
LIABILITIES		
Current liabilities:		
Bank indebtedness	\$ 13,128	\$ 3,289
Accounts payable and accrued liabilities	70,273	52,931
Accrued vacation pay	22,825	26,304
Deferred operating grants	11,422	11,261
Current portion of long-term debt (Note 9)	835	1,679
Current portion of obligation under capital leases (Note 10)	<u>1,375</u>	<u>1,233</u>
	119,858	96,697
Long-term liabilities:		
Long-term debt (Note 9)	5,968	6,803
Pension plan obligation (Note 11)	34,000	32,139
Obligation under capital leases (Note 10)	<u>2,737</u>	<u>2,832</u>
	<u>42,705</u>	<u>41,774</u>
FUND BALANCES		
Operating fund	(57,868)	(36,580)
Ancillary operations fund	20,416	19,775
Restricted revenue fund	27,610	25,724
Capital fund	<u>634,197</u>	<u>654,426</u>
	<u>624,355</u>	<u>663,345</u>
	<u>\$786,918</u>	<u>\$801,816</u>

Signed on behalf of the Authority

Campbell J. Miller, Chairman

Brian Lemon, President

The accompanying notes and schedules are part
of these combined financial statements.

BOARD-GOVERNED INSTITUTIONS

CAPITAL HEALTH AUTHORITY
COMBINED STATEMENT OF REVENUE, EXPENDITURE AND FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	Operating				Restricted			
	1995		1994		1995		1994	
	Operating	Ancillary Operations	Total	Total	Capital	Restricted Revenue	Total	Total
Revenue:								
Provincial government	\$508,676	\$ —	\$508,676	\$543,756	\$ 16,002	\$ 8,503	\$ 24,505	\$ 39,798
Other grants	—	—	—	—	—	527	527	324
Patient charges	41,940	228	42,168	47,114	—	—	—	—
Sales, services and rentals	18,828	7,575	26,403	25,572	802	5,668	6,470	5,220
Donations	1	70	71	1,038	3,044	8,761	11,805	9,261
Interest	3,422	1,979	5,401	5,884	143	1,691	1,834	1,110
	<u>572,867</u>	<u>9,852</u>	<u>582,719</u>	<u>623,364</u>	<u>19,991</u>	<u>25,150</u>	<u>45,141</u>	<u>55,713</u>
Expenditure:								
Salaries (Schedule 2)	347,066	1,484	348,550	391,336	14	7,022	7,036	7,001
Employee benefits (Schedule 2)	52,211	178	52,389	56,092	3	988	991	846
Medical and surgical supplies	32,899	39	32,938	30,781	—	120	120	107
Drugs	19,007	197	19,204	19,840	—	23	23	7
General (Note 12)	141,224	4,532	145,756	116,733	264	11,292	11,556	8,371
Amortization of capital assets	—	—	—	—	40,404	—	40,404	29,560
Capital asset disposals and writedowns at net book value	—	—	—	—	4,522	—	4,522	2,178
	<u>592,407</u>	<u>6,430</u>	<u>598,837</u>	<u>614,782</u>	<u>45,207</u>	<u>19,445</u>	<u>64,652</u>	<u>48,070</u>
Excess (deficiency) of revenue over expenditure for continuing operations	(19,540)	3,422	(16,118)	8,582	(25,216)	5,705	(19,511)	7,643
Discontinued operations (Note 13)	—	—	—	(317)	(1,090)	(2,271)	(3,361)	1,102
Excess (deficiency) of revenue over expenditure for the year	(19,540)	3,422	(16,118)	8,265	(26,306)	3,434	(22,872)	8,745
Transfers between funds (Note 14)	(1,748)	(2,781)	(4,529)	(12,913)	6,077	(1,548)	4,529	12,913
Fund balances at beginning of year	(36,580)	19,775	(16,805)	(12,157)	654,426	25,724	680,150	658,492
Fund balances at end of year	<u>\$ (57,868)</u>	<u>\$ 20,416</u>	<u>\$ (37,452)</u>	<u>\$ (16,805)</u>	<u>\$634,197</u>	<u>\$ 27,610</u>	<u>\$661,807</u>	<u>\$680,150</u>

CAPITAL HEALTH AUTHORITY
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Cash flows from operating activities:		
Cash received from Provincial government	\$ 515,879	\$ 582,240
Cash received from other grants	484	77
Cash received for services	77,539	77,001
Cash received from donors	9,513	8,793
Investment income received	6,897	7,227
Cash paid for employees	(411,600)	(457,625)
Cash paid for goods and services	(189,765)	(183,199)
Net cash generated from continuing operations	<u>8,947</u>	<u>34,514</u>
Cash generated from discontinued operations	<u>379</u>	<u>832</u>
Cash flows from investing and financing activities:		
Cash generated from disposal of investments	4,065	1,504
Cash received for capital grants	16,002	3,922
Cash received from capital donations and other capital funding	2,521	2,579
Cash paid for acquisition of capital assets	(22,501)	(41,392)
Cash paid for investments	(6,068)	(7,181)
Cash paid for long-term debt repayment	(1,883)	(1,718)
Cash paid for capital leases	(1,379)	(1,221)
Net cash used in investing and financing activities	<u>(9,243)</u>	<u>(43,507)</u>
Increase (decrease) in cash and short-term investments	83	(8,161)
Cash and short-term investments, net of bank indebtedness, at beginning of year	77,317	85,478
Cash and short-term investments, net of bank indebtedness, at end of year	<u>\$ 77,400</u>	<u>\$ 77,317</u>

CAPITAL HEALTH AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS

MARCH 31, 1995

(all amounts are reported in thousands of dollars)

Note 1 Authority and Purpose

The Capital Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is a registered charity under the Income Tax Act and is exempt from payment of income tax.

The Authority is responsible for the delivery of health services in Edmonton and St. Albert (the "Region"). This responsibility includes operating programs and performing research to promote, protect and restore the physical and mental well-being of residents of the Region and facilitate reasonable access to health services without financial or other barriers.

The Authority assumed the assets, liabilities, and operations of the following entities, pursuant to legal agreements under the Regional Health Authorities Act, on the dates as listed below:

<u>Entity</u>	<u>Form of Legal Agreement</u>	<u>Effective Date</u>
Capital Care Group (Edmonton and Rural Auxiliary Hospital and Nursing Home District No. 24)	Order in Council	March 31, 1995
Children's Health Centre of Northern Alberta	Ministerial Order	January 31, 1995
Edmonton Board of Health	Order in Council	February 1, 1995
Glenrose Rehabilitation Hospital	Ministerial Order	January 31, 1995
Royal Alexandra Hospitals	Ministerial Order	March 31, 1995
Sturgeon General Hospital District No. 100	Order in Council	February 1, 1995
Sturgeon Health Unit (portion within Capital Region)	Order in Council	March 31, 1995
University Hospitals Board	Ministerial Order	January 31, 1995

These financial statements include the assets, liabilities and operations of all of the above entities (see Note 3(b)).

The financial statements do not include the assets, liabilities, or operations of the Caritas Health Group, nor voluntary or community health care organizations operating within the Region.

Note 2 Nature of Operations

The Authority provides health services in four core areas:

- Referral Hospital System - addresses the more complex acute care needs of people residing within the Region and from outlying areas. These services are provided at the University of Alberta Hospital Site, Royal Alexandra Hospital Site, and the Glenrose Rehabilitation Hospital Site. The Northern Alberta Regional Geriatric program located at the Edmonton General Hospital Site is part of the Referral Hospital System, however, it is not included in these financial statements as the Edmonton General Hospital Site is reported within the Caritas Health Group.
- Community Health - is a comprehensive system of coordinated resources designed to create, promote and protect health, and to support those whose health is threatened. These resources are provided through the Community Health component of the Royal Alexandra Hospital Site, Sturgeon General Hospital Site, and Home Care and Community Rehabilitation Services. The Misericordia Hospital Site and Grey Nuns Hospital Site are part of Community Health, however, they are not included in these financial statements as they are reported within the Caritas Health Group.
- Continuing Care provides services for adults with chronic disease or disabilities. These services are provided by the Capital Care Group Sites and various private and voluntary continuing care providers. The private and voluntary continuing care providers are not included in these financial statements.
- Public Health - is the art and science of preventing disease, prolonging life and promoting health through organized community effort. These services are provided through Public Health Services, and various community organizations. The community organizations are not included in these financial statements.

Note 3 Summary of Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles. The following are the significant accounting policies:

(a) Fund Accounting

These combined financial statements are prepared on a restricted fund accounting basis, and include the following funds:

- Operating Fund - accounts for revenues and expenditures of the Authority's health care programs and administrative activities.
- Ancillary Operations Fund - accounts for revenues and expenditures of the Authority which are ancillary to health care delivery, such as investments, parking, rental income and other commercial activities.
- Capital Fund - reports capital grants and donations, expenditures and equity in capital assets of the Authority.
- Restricted Revenue Fund - reports restricted resources that are to be used for specific purposes. This includes restricted donations, funds received for special programs, operations of the diploma nursing education programs, and operations of the Provincial Laboratory at the University of Alberta Hospital Site.

(b) Method of Combination

These combined financial statements have been prepared in accordance with the pooling of interest method. Under this method, the book values of assets, liabilities and net assets of each of the entities being combined are added together to form the combined value of assets, liabilities and net assets of the Authority, after making adjustments to put the accounting policies of the merged entities on a common basis. The revenues and expenditures reported by the Authority include amounts for the entire fiscal period of each entity as if they had been combined since their inception. The effective date for the combination is March 31, 1995.

(c) Inventories

Inventories are recorded at the lower of cost and net replacement cost.

(d) Long-term Investments

Investments are valued at amortized cost. Any discounts or premiums arising on purchase are amortized over the period to maturity. Gains or losses realized on disposal are recognized in the period of disposal. Losses are recognized for any permanent decline in market value of investments.

(e) Capital Assets

Capital assets and projects in progress are recorded at cost less accumulated amortization. The costs of capital upgrade projects that increase the useful lives and capacity of buildings are capitalized. Furniture and equipment additions are limited to those that have a life expectancy beyond one year. Donated equipment is recorded at fair value at the date of receipt.

Leases transferring substantially all of the benefits and risks of ownership to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Annual Rate</u>
Buildings	2.5% - 5%
Parking lots	5% - 10%
Furniture and equipment	5% - 20%
Equipment under capital leases	20% - 33.3%
Improvements to leasehold buildings	Original lease term plus one renewal period

(f) Pension Plan Obligation

Pension plan obligation includes the portion of the unfunded pension liability of the Public Service Pension Plan and the Local Authorities Pension Plan incurred on behalf of the Authority's employees.

Pension plan expense is comprised of employer's pension plan contributions made during the year, plus any changes in the unfunded pension plan obligation and its allocation to participants in the pension plans.

(g) Revenue Recognition

Operating grants are recognized as operating revenue in the period for which they are provided. Operating grants provided for expenditures of a future period are deferred and reflected as liabilities.

Capital grants and capital donations are recorded as revenue in the period received.

Restricted revenue contributions are recorded as revenue in the period received.

Donations of materials and services are recorded at fair value when a fair value can be reasonably estimated and when the materials and services would otherwise have been purchased.

Note 4 Merged Entities

Information on fund balances contributed by each entity at the date of combination, net of inter-entity balances and adjustments, is as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Balances</u>
Merged Entities			
Capital Care Group	\$ 39,466	\$ 13,851	\$ 25,615
Children's Health Centre of Northern Alberta	1,812	951	861
Edmonton Board of Health	11,374	10,349	1,025
Glenrose Rehabilitation Hospital	73,935	7,538	66,397
Royal Alexandra Hospitals	191,839	53,872	137,967
Sturgeon General Hospital	55,533	7,676	47,857
Sturgeon Health Unit (portion within Capital Health Authority)	525	355	170
University Hospitals Board	<u>390,271</u>	<u>46,562</u>	<u>343,709</u>
	<u>764,755</u>	<u>141,154</u>	<u>623,601</u>
Capital Health Authority - Corporate Office	<u>22,163</u>	<u>21,409</u>	<u>754</u>
Total	<u>\$786,918</u>	<u>\$162,563</u>	<u>\$624,355</u>

Note 5 Accounts Receivable

Accounts receivable, less allowance for doubtful accounts, consist of the following:

	<u>1995</u>	<u>1994</u>
Government of Alberta	\$ 5,850	\$ 5,323
Institutions and other	4,329	5,695
Patients	3,088	4,172
Accrued interest	943	672
Government of Canada	<u>942</u>	<u>1,692</u>
	<u>\$15,152</u>	<u>\$17,554</u>

Note 6 Long-term Investments

	<u>1995</u>	<u>1994</u>
Corporate debentures	\$12,879	\$10,076
Government of Canada bonds and mortgages, direct and guaranteed	12,102	9,921
Alberta debentures, direct and guaranteed	2,533	4,560
Other Provincial debentures, direct and guaranteed	6,273	8,045
Securities	1,238	1,193
Mutual funds	<u>1,176</u>	<u>316</u>
Total	<u>\$36,201</u>	<u>\$34,111</u>
Market value	<u>\$35,970</u>	<u>\$34,228</u>

Note 7 Assets Held for Sale

Assets held for sale comprise the following:

	<u>1995</u>	<u>1994</u>
Building of former Sturgeon Hospital	\$ —	\$1,373

During the year, the Sturgeon General Hospital signed an agreement with the City of St. Albert, Municipal District of Sturgeon, Town of Morinville and Village of Legal which requires the net proceeds from the sale of the former Sturgeon Hospital land and building to be given over to the municipalities. Accordingly, \$1,373 has been recorded in the Capital Fund as write down of assets held for resale.

Note 8 Capital Assets

	<u>1995</u>	<u>1994</u>
Buildings	\$684,423	\$670,637
Furniture and equipment	165,668	175,401
Improvements to leasehold buildings	2,952	2,788
Equipment under capital leases	8,187	6,600
Land	<u>7,957</u>	<u>7,947</u>
Parking lots	<u>20,601</u>	<u>20,530</u>
Total capital assets	<u>889,788</u>	<u>883,903</u>
Less accumulated amortization	<u>254,814</u>	<u>227,073</u>
Net book value	<u>\$634,974</u>	<u>\$656,830</u>

Note 9 Long-term Debt

Long-term debt consists of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>1995</u>	<u>1994</u>
Debentures payable to:				
Alberta Municipal Financing Corporation	July 15, 2001	10.75%	\$3,194	\$3,491
Alberta Municipal Financing Corporation	May 15, 1995	12.00%	242	457
City of Edmonton	May 1, 2001	11.00%	2,534	2,754
City of Edmonton	June 1, 2020	6.875%	833	845
Alberta Municipal Financing Corporation		—	—	719
Alberta Municipal Financing Corporation		—	—	216
			<u>6,803</u>	<u>8,482</u>
Less current portion			<u>835</u>	<u>1,679</u>
Long-term portion			<u>\$5,968</u>	<u>\$6,803</u>

Anticipated requirements to meet the principal portion of long-term debt repayments over the next five years are as follows:

1996	\$835
1997	659
1998	733
1999	815
2000	907

Note 10 Long-term Obligations Under Capital Leases

Information on payments required under capital leases is as follows:

	<u>1995</u>	<u>1994</u>
Minimum lease payments:		
1995	\$ —	\$1,527
1996	1,674	1,346
1997	1,423	1,093
1998	909	578
1999	460	127
2000	<u>281</u>	<u>—</u>
Total minimum lease payments	<u>4,747</u>	<u>4,671</u>
Less amount representing interest	<u>635</u>	<u>606</u>
Present value of net minimum capital lease payments	<u>4,112</u>	<u>4,065</u>
Current portion of obligations under capital leases	<u>1,375</u>	<u>1,233</u>
Long-term portion of obligations under capital leases	<u>\$2,737</u>	<u>\$2,832</u>

The average implicit interest rate payable on these leases is 6.9%.

Note 11 Pension Costs and Obligations

The Authority and its eligible employees participate with other employers in the Local Authorities Pension Plan (LAPP) and the Public Service Pension Plan (PSPP), defined benefit pension plans administered by the Local Authorities Pension Plan Board and the Public Service Pension Board respectively. The plans provide pensions for the employees of participating organizations based on length of service and earnings. The Public Sector Pension Plans Act determines the amount of the unfunded pension liabilities to be funded by employers.

The Authority's unfunded pension liability of \$34,000 was determined by Alberta Treasury using an actuarial valuation as at December 31, 1993, extrapolated to March 31, 1995, using pensionable salaries. The Authority's portion of the employers' liability was based on the Authority's percentage of the total pensionable payroll of all employers participating in the plans. The liabilities are to be fully funded by December 31, 2036 through increased contributions by the Authority.

Note 12 General Expenditure

General expenditure consists of the following:

	1995	1994
Plant operations and maintenance	\$ 23,649	\$ 21,439
Home care services	17,676	10,588
Medical fees	16,643	14,863
Restructuring costs (Note 17)	16,000	—
Housekeeping and laundry	8,274	8,696
Pediatric programs and services provided by Caritas Health Group	7,985	5,503
Food services	7,518	7,914
Equipment expenses	6,943	7,883
Clinical laboratory	5,554	5,256
Contract maintenance	4,312	4,325
Printing, stationery and office	3,103	3,241
Diagnostic imaging	2,450	3,047
Interest	1,158	799
Purchased services, professional fees, medical fees and other	36,047	31,550
	<u>\$157,312</u>	<u>\$125,104</u>
Allocation:		
Operating fund	\$145,756	\$116,733
Restricted fund	11,556	8,371
	<u>\$157,312</u>	<u>\$125,104</u>

Note 13 Discontinued Operations

(a) Schools of Nursing

During 1995-96, the Schools of Nursing previously operated by the Authority will be transferred to the University of Alberta and Grant MacEwan Community College.

(b) Subsidiary Operations

During the prior year, the operations of the University of Alberta Hospital's wholly-owned subsidiary, Unicare Integrated Software Inc. were discontinued. Capital assets were disposed of by sale.

The impact of the discontinued operations on the financial statements is as follows:

	1995	1994
Book value of net assets related to the Schools of Nursing were:	<u>\$ 532</u>	<u>\$ 2,217</u>
Restricted Fund		
Schools of Nursing:		
Restricted revenue fund income (loss)		
Income (loss) for reporting period	1,122	1,102
Estimated income (loss) until disposal date	(2,817)	—
Transfer to Grant MacEwan Community College to fund courses previously provided by the Schools of Nursing	(576)	—
	<u>(2,271)</u>	<u>1,102</u>
Capital fund income (loss)	<u>(1,090)</u>	<u>—</u>
	<u>\$ (3,361)</u>	<u>\$ 1,102</u>
Operating Fund		
Subsidiary operations		
Income (loss) for reporting period	<u>\$ —</u>	<u>\$ (317)</u>

Note 14 Transfers Between Funds

Transfers between funds consist of the following:

	1995				
	Operating Fund	Ancillary Operations Fund	Capital Fund	Restricted Revenue Fund	Total
Interest income	\$(3,292)	\$ 3,304	\$ (12)	\$ —	\$ —
Capital expenditures	(950)	(1,441)	3,476	(1,085)	—
Capital leases	(1,295)	(239)	1,534	—	—
Long-term debt repayment	—	(1,450)	1,450	—	—
Other	3,789	(2,955)	(371)	(463)	—
	<u>\$(1,748)</u>	<u>\$(2,781)</u>	<u>\$ 6,077</u>	<u>\$(1,548)</u>	<u>\$ —</u>

Note 15 Related Party Transactions

Contributions to (from) the Authority by related entities are as follows:

	1995	1994
University Hospitals Foundation	\$ 914	\$1,800
The Capital Care Foundation	817	13
Royal Alexandra Hospital Foundation	349	195
The Friends of University Hospitals	200	200
Royal Alexandra Hospital Women's Auxiliary	126	66
Glenrose Rehabilitation Hospital Foundation	419	—
Transfer of unexpended balance of certain conditional contributions from the Glenrose Rehabilitation Hospital to its Foundation	(746)	—
	<u>\$2,079</u>	<u>\$2,274</u>

The Authority provides administrative and support services to assist these and other related parties in their operations.

These entities solicit donations, operate gift shops and undertake fund raising activities to provide operating and capital donations to further the objectives of the Authority.

Note 16 Contingency

The use of the building at the Charles Camshell Hospital Site, which has a book value of \$3,900, is expected to change during 1995-96. Other potential uses for the building are being explored. At March 31, 1995, the building is recorded at its book value, pending the outcome of the consideration of optional uses.

Note 17 Restructuring Costs

A provision for \$16,000 has been made to cover costs relating to restructuring of health services in accordance with the Authority's Directional Plan.

Note 18 Basis of Allocation to Sectors

The basis used to allocate costs between the sectors is as follows:

	Referral Hospital System	Community Health	Continuing Care	Public Health
Corporate Office ⁽¹⁾	45%	35%	17%	3%
Children's Health Centre ⁽²⁾				
Glenrose Rehabilitation Hospital Site	100%			
University of Alberta Hospitals Site	100%			
Royal Alexandra Hospitals Site ⁽³⁾	46%	54%		
Sturgeon General Hospital Site		100%		
Capital Care Group			100%	
Public Health Services - Edmonton ⁽⁴⁾		63%		37%
Public Health Services - St. Albert ⁽⁴⁾		29%		71%

(1) The Corporate Office is allocated on the basis of the proportion of each sector's 1995-96 operating budget to the total 1995-96 operating budget.

(2) The Children's Health Centre provides funding for children's programs at the University of Alberta, Royal Alexandra and Sturgeon General Hospital sites. The funds are allocated to sectors in accordance with the rates used by the sites receiving funding.

(3) The percentage distribution between the Referral Hospital System and Community Health was determined in connection with the Capital Health Authority's three year Directional Plan. Within the Plan, revenues and expenditures associated with Community Health were estimated to be \$84,000 of the Hospital's preliminary forecast 1995-96 budget of \$155,400, or 54%. The remaining percentage is attributed to the Referral Hospital System.

(4) Home care programs are reported in Community Health. The balance of funds is included in Public Health.

Note 19 Approval of Financial Statements

These financial statements were approved by Members of the Authority.

Schedule 1

CAPITAL HEALTH AUTHORITY
SCHEDULE OF OPERATING REVENUE AND EXPENDITURE BY SECTOR
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995					1994
	<u>Referral Hospital System</u>	<u>Community Health</u>	<u>Continuing Care</u>	<u>Public Health</u>	<u>Total</u>	<u>Total</u>
Revenue:						
Provincial government	\$314,834	\$130,244	\$ 43,564	\$ 20,034	\$508,676	\$543,756
Patient charges	23,698	5,791	12,645	34	42,168	47,114
Sales, services and rentals	20,999	3,891	870	643	26,403	25,572
Donations	1	69	—	1	71	1,038
Interest	4,011	643	414	333	5,401	5,884
	<u>363,543</u>	<u>140,638</u>	<u>57,493</u>	<u>21,045</u>	<u>582,719</u>	<u>623,364</u>
Expenditure:						
Salaries	210,142	83,041	40,661	14,706	348,550	391,336
Employee benefits	30,398	13,163	6,579	2,249	52,389	56,092
Medical and surgical supplies	26,584	6,106	248	—	32,938	30,781
Drugs	15,273	3,161	770	—	19,204	19,840
General	90,901	41,274	9,083	4,498	145,756	116,733
	<u>373,298</u>	<u>146,745</u>	<u>57,341</u>	<u>21,453</u>	<u>598,837</u>	<u>614,782</u>
Excess (deficiency) of revenue over expenditure for continuing operations	(9,755)	(6,107)	152	(408)	(16,118)	8,582
Discontinued operations	—	—	—	—	—	(317)
Excess (deficiency) of revenue over expenditure for the year	<u>\$ (9,755)</u>	<u>\$ (6,107)</u>	<u>\$ 152</u>	<u>\$ (408)</u>	<u>\$ (16,118)</u>	<u>\$ 8,265</u>

Note: This schedule excludes amounts relating to the Caritas Health Group and voluntary and community health care organizations operating within the region as these have been funded directly by Alberta Health.

CAPITAL HEALTH AUTHORITY
COMBINED SCHEDULE OF SALARIES AND
HONORARIA, BENEFITS AND ALLOWANCES
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	Number of Individuals ⁽¹⁾	Salaries and Honoraria ⁽²⁾	Benefits and Allowances ⁽³⁾	Total	Average
Honoraria					
Chair					
Campbell J. Miller	1	\$ 20	\$ —	\$ 20	
Members					
W.D. (Bill) Grace	1	9	—	9	
Paul M. Boothe ⁽⁴⁾	1	10	—	10	
Judith Campbell	1	8	—	8	
Jack Chesney	1	15	—	15	
Nanett Franchuk	1	10	—	10	
John E. Hokanson	1	—	—	—	
Roy Louis	1	5	—	5	
Alastair A. Mactaggart	1	6	—	6	
Francis G. Picherack	1	14	—	14	
Margaret E. Plain	1	15	—	15	
Ansar A. Qureshi	1	7	—	7	
Gary D. Sciur	1	12	—	12	
David J. Stratton	1	8	—	8	
John R. Young ⁽⁵⁾	1	14	—	14	
	<u>15</u>	<u>153</u>	<u>—</u>	<u>153</u>	
Members of Disestablished Entities	<u>78</u>	<u>213</u>	<u>—</u>	<u>213</u>	
Total Honoraria	<u>93</u>	<u>366</u>	<u>—</u>	<u>366</u>	
Salaries					
President and CEO ⁽⁶⁾	Appointment Date				
Vice-Presidents ⁽⁶⁾	August 25, 1994	1	94	9	103
Community Health	November 1, 1994	1	52	6	58
Continuing Care	November 1, 1994	1	52	6	58
Finance and Administration	November 1, 1994	1	52	6	58
Planning and Evaluation	November 1, 1994	1	52	6	58
Public Health Services	November 1, 1994	1	52	6	58
Referral Hospital System	December 31, 1994	1	33	3	36
Regional Support Services	November 1, 1994	1	52	6	58
Staff of Disestablished Entities					
Executives	31	3,380	398	3,778	\$122
Other managers	350	19,096	3,004	22,100	63
Other staff					
Medical doctors ⁽⁷⁾	40	3,159	449	3,608	90
Registered nurses	2,721	129,287	19,334	148,621	55
Other health technical and professional	1,537	65,576	10,201	75,777	49
Other nursing	945	25,290	4,242	29,532	31
Other staff	3,385	98,598	15,529	114,127	34
Severance ⁽⁸⁾		10,395	175	10,570	
Total salaries	<u>9,017</u>	<u>355,220</u>	<u>53,380</u>	<u>408,600</u>	
Total honoraria and salaries	<u>9,110</u>	<u>\$355,586</u>	<u>\$ 53,380</u>	<u>\$408,966</u>	
Reported in:					
Operating Fund		\$348,550	\$ 52,389	\$400,939	
Restricted Fund		7,036	991	8,027	
Total		<u>\$355,586</u>	<u>\$ 53,380</u>	<u>408,966</u>	
Change in year end liability				2,634	
Total cash paid during the year				<u>\$411,600</u>	

Schedule 2 (continued)

- (1) The average number of individuals is calculated based on a weighted average number of individuals occupying a category or position for the year based on a standard work year. Severance payments have been excluded in computing the average amounts. Part-time staff are included in each category.
- (2) Salary includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.
- (3) Benefits included the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.
- (4) Mr. Boothe directed that all of his honorarium be paid to The University of Alberta.
- (5) Mr. Young directed that 25% of his honorarium be paid to The University of Alberta.
- (6) Information provided in respect of these positions is only for the period from when these positions were created.
- (7) Medical doctors' salaries and benefits represent payments for administrative and medical services. These include payments for departmental administration, fees for medical interpretation, assessment and procedures, and payments for teaching and on-call services.
- (8) Severance consists of cash payments in the year to management \$3,375 (59 positions) and to union members \$3,445 (186 positions), and an accrual of \$3,750 for an estimated 125 management positions in 1995-96.

Schedule 3

CAPITAL HEALTH AUTHORITY
 INFORMATION ON VOLUNTARY, PRIVATE AND COMMUNITY ORGANIZATIONS
 FOR THE YEAR ENDED MARCH 31, 1995
 (thousands)

	Grants Provided by Alberta Health	Approved Fees and Charges	Total
Voluntary	\$189,694	\$ 20,781	\$210,475
Private	17,397	8,556	25,953
Community	1,652	—	1,652
	<u>\$208,743</u>	<u>\$ 29,337</u>	<u>\$238,080</u>

Effective 1995-96, the Authority became responsible for payments to voluntary, private and community organizations. This schedule provides information on payments made during 1994-95 directly by Alberta Health and approved fees and charges by the organizations. These grants and fees are not part of the amounts reported in the combined statement of revenue, expenditure and fund balances.

CHINOOK REGIONAL HEALTH AUTHORITY
1994/95 COMBINED FINANCIAL STATEMENTS⁽¹⁾
(Unaudited)

	CRHA (2) Central Administration	Barons-Eureka Warner Health Unit	Cardston General Hospital	Chinook Health Unit (Partial) (3)	Crows Nest Pass General & Auxiliary	Fort Macleod Health Care Centre	City of Lethbridge Health Unit	Lethbridge Regional Hospital	Lethbridge Regional Laboratory
BALANCE SHEET									
ASSETS									
Current Assets									
Cash	\$ 901,229	\$ 329,455	\$ 1,921,770	\$ 205,926	\$ 774,047	\$ 104,349	\$ 13,262	\$ 1,271,636	\$ —
Short-term investments	—	2,277,102	15,280	—	—	400,000	863,576	5,339,632	—
Accounts receivable	6,094	55,257	187,366	19,341	157,532	130,328	110,522	2,097,860	—
Inventories	—	—	143,294	—	113,951	36,750	—	641,906	—
Prepaid expenses	1,395	8,115	9,276	8,465	13,526	3,398	11,348	64,782	—
Total current assets	908,718	2,669,929	2,276,986	233,732	1,059,056	674,825	998,708	9,415,816	—
Capital Assets	—	2,154,095	9,617,896	537,576	12,385,406	5,785,581	2,301,212	99,871,176	—
Funds Held in Trust	—	—	464,452	—	—	—	—	901,882	—
Total Assets	\$ 908,718	\$ 4,824,024	\$ 12,359,334	\$ 771,308	\$ 13,444,462	\$ 6,460,406	\$ 3,299,920	\$ 110,188,874	\$ —
LIABILITIES & EQUITY									
Current Liabilities									
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 216,430	\$ —
Accounts payable	307,091	393,851	424,496	142,374	462,220	206,810	440,606	6,481,326	—
Accrued liabilities	75,106	2,299,365	529,407	—	—	—	183,636	966,630	—
Deferred revenues & reserves	35,683	10,144	—	1,547	—	7,382	139,973	39,369	—
Total current liabilities	417,880	2,703,360	953,903	143,921	462,220	214,192	764,215	7,703,755	—
Long-Term Debt	—	—	—	—	—	—	225,538	—	—
Unfunded Pension Liability	—	258,395	400,334	175,407	276,394	181,493	293,469	2,908,431	—
Operating Fund Balance	490,838	(291,826)	922,749	(85,596)	279,026	279,140	(52,995)	(1,191,380)	—
Restricted Fund Balance	—	—	464,452	—	41,416	—	—	901,882	—
Equity in Capital Assets	—	2,154,095	9,617,896	537,576	12,385,406	5,785,581	2,069,693	99,866,186	—
Total Liabilities & Equity	\$ 908,718	\$ 4,824,024	\$ 12,359,334	\$ 771,308	\$ 13,444,462	\$ 6,460,406	\$ 3,299,920	\$ 110,188,874	\$ —
STATEMENT OF REVENUE & EXPENDITURE									
Revenue									
Contributions from Alberta Health	\$ 1,167,436	\$ 3,695,214	\$ 7,499,758	\$ 2,899,447	\$ 5,321,375	\$ 2,648,709	\$ 5,531,989	\$ 44,384,278	\$ 5,971,104
Client fees and charges	—	29,148	909,589	24,030	726,642	87,289	23,291	1,934,266	—
Other	4,961	319,231	281,208	114,216	164,300	71,928	106,679	3,526,658	58,382
Total Revenue (6)	1,172,397	4,043,593	8,690,555	3,037,693	6,212,317	2,807,926	5,661,959	49,845,202	6,029,486
Expenditure									
Salaries and benefits	389,880	3,220,680	6,107,445	2,770,261	4,303,035	2,026,698	3,501,992	36,636,006	4,692,731
Supplies	291,679	820,410	1,932,472	309,759	1,550,569	689,811	1,969,860	12,190,593	1,277,277
Pension expense	—	59,203	(56,764)	46,871	1,090	13,945	69,660	42,224	5,026
Total Expenditure (7)	681,559	4,100,293	7,983,153	3,126,891	5,854,694	2,730,454	5,541,512	48,868,823	5,975,034
Operating Surplus (Deficit)	490,838	(56,700)	707,402	(89,198)	357,623	77,472	120,447	976,379	54,452
Less Depreciation	—	106,741	517,679	73,587	608,609	697,977	100,560	4,553,911	113,190
Surplus (Deficit)	\$ 490,838	\$ (163,441)	\$ 189,723	\$ (162,785)	\$ (250,986)	\$ (620,505)	\$ 19,887	\$ (3,577,532)	\$ (58,738)

NOTES

- (1) This summary includes all entities which the Chinook Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
- (2) Relates to the audited financial statements covering the Chinook Regional Health Authority central administrative function.
- (3) There is no audit of the Chinook Regional Health Authority combined total. Rather, there are audit reports pertaining to each set of financial statements for the created columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
- (4) Money provided by the central administration division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated because they are not of material amount.

CHINOOK REGIONAL HEALTH AUTHORITY
1994/95 COMBINED FINANCIAL STATEMENTS⁽¹⁾ (continued)
(Unaudited)

	Lethbridge Regional Laundry	Magrath General Hospital	Milk River Health Centre	Picture Butte Municipal Hospital	Pincher Creek Municipal Hospital	Raymond General Hospital	Taber & District Health Complex	Total (3)(4)(5)
BALANCE SHEET								
ASSETS								
Current Assets								
Cash	\$ —	\$ 54,005	\$ 485,091	\$ 33,890	\$ 1,105,766	\$ 317,896	\$ 1,250,374	\$ 8,768,696
Short-term investments	—	—	—	43,865	—	—	112,938	9,052,393
Accounts receivable	—	21,325	32,258	10,072	131,413	17,521	200,628	3,177,517
Inventories	—	53,576	30,694	17,203	91,487	45,519	136,243	1,310,623
Prepaid expenses	—	—	1,450	—	1,755	7,387	21,687	152,584
Total current assets	—	128,906	549,494	105,030	1,330,421	388,323	1,721,870	22,461,814
Capital Assets	—	5,770,395	5,518,942	1,201,206	9,486,092	7,875,354	11,744,718	174,249,649
Funds Held in Trust	—	—	—	—	—	—	2,489	1,368,823
Total Assets	\$ —	\$ 5,899,301	\$ 6,068,435	\$ 1,306,236	\$ 10,816,513	\$ 8,263,677	\$ 13,469,077	\$ 198,080,285

LIABILITIES & EQUITY								
Current Liabilities								
Bank indebtedness	\$ —	\$ 56,186	\$ —	\$ —	\$ —	\$ 85,617	\$ —	\$ 358,233
Accounts payable	—	310,943	569,416	197,731	702,834	357,429	754,370	11,751,497
Accrued liabilities	—	—	—	—	52,313	—	—	4,106,457
Deferred Revenues & Reserves	—	—	—	—	—	—	—	234,098
Total Current Liabilities	—	367,129	569,416	197,731	755,147	443,046	754,370	16,450,285
Long-Term Debt	—	—	—	—	—	—	—	225,538
Unfunded Pension Liability	—	105,630	55,139	79,099	307,233	178,900	383,031	5,602,955
Operating Fund Balance	—	(343,853)	(75,062)	(171,800)	157,113	(233,623)	537,583	220,314
Restricted Fund Balance	—	—	—	—	110,928	—	49,375	1,568,053
Equity in Capital Assets	—	5,770,395	5,518,942	1,201,206	9,486,092	7,875,354	11,744,718	174,013,140
Total Liabilities & Equity	\$ —	\$ 5,899,301	\$ 6,068,435	\$ 1,306,236	\$ 10,816,513	\$ 8,263,677	\$ 13,469,077	\$ 198,080,285

STATEMENT OF REVENUE & EXPENDITURE

Revenue								
Contributions from Alberta Health	\$ —	\$ 1,957,782	\$ 1,810,172	\$ 1,416,601	\$ 4,547,579	\$ 3,059,785	\$ 6,623,962	\$ 98,535,191
Client fees and charges	1,375,417	35,636	136,869	76,635	319,395	261,093	851,433	6,790,733
Other	—	20,702	26,604	26,139	165,794	104,112	99,178	5,090,092
Total Revenue (6)	1,375,417	2,014,120	1,973,645	1,519,375	5,032,768	3,424,990	7,574,573	110,416,016
Expenditure								
Salaries and benefits	769,814	1,604,154	1,306,607	1,107,320	4,133,200	2,742,891	5,945,030	81,257,744
Supplies	571,182	517,127	602,315	344,762	1,200,860	741,325	1,232,556	26,242,557
Pension expense	738	500	(3,063)	2,161	28,945	6,095	9,626	226,257
Total Expenditure (7)	1,341,734	2,121,781	1,905,859	1,454,243	5,363,005	3,490,311	7,187,212	107,726,558
Operating Surplus (Deficit)	33,683	(107,661)	67,786	65,132	(330,237)	(65,321)	387,361	2,689,458
Less Depreciation	—	210,722	256,815	117,851	363,409	309,717	528,728	8,559,496
Surplus (Deficit)	\$ 33,683	\$ (318,383)	\$ (189,029)	\$ (52,719)	\$ (693,646)	\$ (375,038)	\$ (141,367)	\$ (5,870,038)

NOTES

(5) 1994/95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the Chinook Regional Health Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Chinook Regional Health Authority, the Total Revenue and Total Expenditure would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per (6) above	\$110,416,016
Grants and client charges	35,166,820
Total Revenue restated	<u>\$145,582,836</u>
Total Expenditure per (7) above	\$107,726,558
Adjustment for Funding:	
Voluntary Facilities	25,951,182
Private Facilities	8,428,255
Community Agencies	787,383
Total Expenditures restated	<u>\$142,893,378</u>

CROSSROADS REGIONAL HEALTH AUTHORITY
FINANCIAL STATEMENTS
(Unaudited - see Notice to Reader)
MARCH 31, 1995

Notice to Reader
Statement of Revenue and Expenditures
Balance Sheet
Statement of Operating Surplus
Statement of Capital Surplus
Notes to the Financial Statements

NOTICE TO READER

To the Board of Trustees
Crossroads Regional Health Authority

We have compiled the balance sheet of the Crossroads Regional Health Authority as at March 31, 1995 and the statements of earnings, operating surplus and capital surplus for the year then ended from the audited financial statements of the health organizations. Certain of the health organizations were reported on by other firms of Chartered Accountants. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of their information. Readers are cautioned that these statements may not be appropriate for their purposes.

Doane Raymond
Chartered Accountants

Wetaskiwin, Alberta
July 27, 1995

CROSSROADS REGIONAL HEALTH AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURES
(Unaudited - see Notice to Reader)
YEAR ENDED MARCH 31, 1995

	CRHA Central Administration	Breton General Hospital	Drayton Valley Health Complex	Leduc General Hospital	Wetaskiwin Hospital District	Alberta West Central Health Unit	Leduc Strathcona Health Unit	Wetoka Health Unit	Total
REVENUE									
Contributions from Alberta Health	\$1,387,891	\$1,757,594	\$6,568,688	\$6,571,128	\$ 8,933,302	\$946,939	\$2,301,296	\$2,141,238	\$40,608,076
Client fees and charges	—	46,979	823,010	216,266	1,376,963	20,587	34,175	39,045	2,557,025
Other	11,809	68,297	268,739	161,220	298,827	14,692	27,183	45,596	896,363
	<u>1,399,700</u>	<u>1,872,870</u>	<u>7,660,437</u>	<u>6,948,614</u>	<u>20,609,092</u>	<u>982,218</u>	<u>2,362,654</u>	<u>2,225,879</u>	<u>44,061,464</u>
EXPENDITURES									
Salaries and benefits	135,017	1,287,450	5,782,682	4,625,432	16,927,281	757,038	1,617,384	1,638,941	32,771,225
Drugs and medical supplies	—	41,821	301,440	382,596	653,529	9,903	41,701	22,999	1,453,989
Plant supplies and maintenance	—	72,457	342,563	363,635	1,315,247	22,337	181,834	40,876	2,338,949
Other	89,925	272,628	1,195,313	1,422,592	1,336,829	291,710	517,520	491,434	5,617,951
	<u>224,942</u>	<u>1,674,356</u>	<u>7,621,998</u>	<u>6,794,255</u>	<u>20,232,886</u>	<u>1,080,988</u>	<u>2,358,439</u>	<u>2,194,250</u>	<u>42,182,114</u>
Excess of revenue over expenditures before amortization	1,174,758	198,514	38,439	154,359	376,206	(98,770)	4,215	31,629	1,879,350
Amortization	—	103,386	1,005,747	660,639	1,880,815	56	3,130	58,838	3,712,611
Excess of revenue over expenditures	<u>\$1,174,758</u>	<u>\$ 95,128</u>	<u>\$ (967,308)</u>	<u>\$ (506,280)</u>	<u>\$ (1,504,609)</u>	<u>\$ (98,826)</u>	<u>\$ 1,085</u>	<u>\$ (27,209)</u>	<u>\$ (1,833,261)</u>

See accompanying notes to the financial statements.

CROSSROADS REGIONAL HEALTH AUTHORITY
BALANCE SHEET
(Unaudited - see Notice to Reader)
MARCH 31, 1995

	<u>CRHA Central Administration</u>	<u>Breton General Hospital</u>	<u>Drayton Valley Health Complex</u>	<u>Leduc General Hospital</u>	<u>Wetaskiwin Hospital District</u>	<u>Alberta West Central Health Unit</u>	<u>Leduc Strathcona Health Unit</u>	<u>Wetoka Health Unit</u>	<u>Total</u>
ASSETS									
Current									
Cash	\$1,272,811	\$ 752,813	\$ 91,501	\$ 466,537	\$ 1,881,945	\$ 150	\$ 82,973	\$ 327,555	\$ 4,876,285
Short term investments	—	906,139	1,116,128	—	—	—	—	—	2,022,267
Accounts receivable	9,061	35,585	318,332	148,100	416,889	14,757	13,672	53,374	1,009,770
Inventories	—	27,366	123,752	106,055	266,772	6,520	—	—	530,465
Prepaid expenses	—	—	21,749	60,720	110,325	—	4,024	43,320	240,138
Other	—	—	—	—	81,051	—	—	—	81,051
	<u>1,281,872</u>	<u>1,721,903</u>	<u>1,671,462</u>	<u>781,412</u>	<u>2,756,982</u>	<u>21,427</u>	<u>100,669</u>	<u>424,249</u>	<u>8,759,976</u>
Portfolio investments (Note 5)	—	10	—	—	600	—	—	—	610
Capital assets (Note 6)	22,209	1,155,849	9,452,199	15,328,738	40,747,929	2,416	6,260	1,013,013	67,728,613
Other	—	17,966	52,481	—	—	—	—	—	70,447
Deferred development expenditures (Note 7)	—	—	—	—	412,137	—	—	—	412,137
Due from regional facilities	—	—	—	—	99,169	—	—	—	99,169
Funds held in trust	—	—	4,450	—	2,281,083	—	—	—	2,285,533
	<u>\$1,304,081</u>	<u>\$2,895,728</u>	<u>\$11,180,592</u>	<u>\$16,110,150</u>	<u>\$46,297,900</u>	<u>\$23,843</u>	<u>\$106,929</u>	<u>\$1,437,262</u>	<u>\$79,356,485</u>
LIABILITIES									
Current									
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ 81,051	\$ 7,129	\$ —	\$ —	\$ 88,180
Accounts payable	13,000	125,882	133,918	655,627	1,469,837	19,347	62,179	141,614	2,621,404
Accrued employee benefits	35,074	—	787,872	—	1,411,371	35,988	47,739	—	2,318,044
Unexpended funding	—	—	—	9,335	110,268	—	—	—	119,603
Deferred revenue	—	—	15,700	3,200	156,727	—	—	111,061	286,688
	<u>48,074</u>	<u>125,882</u>	<u>937,490</u>	<u>668,162</u>	<u>3,229,254</u>	<u>62,464</u>	<u>109,918</u>	<u>252,675</u>	<u>5,433,919</u>
Long term financing (Note 8)	—	—	—	49,313	—	—	—	—	49,313
Obligation on capital lease (Note 9)	—	—	—	35,457	—	—	—	—	35,457
Unfunded pension liability (Note 10)	16,904	—	396,255	327,428	1,208,687	28,017	99,011	141,513	2,217,815
Due to regional facilities	64,345	512	33,880	432	—	—	—	—	99,169
Trust	—	—	4,450	—	2,281,083	—	—	—	2,285,533
	<u>129,323</u>	<u>126,394</u>	<u>1,372,075</u>	<u>1,080,792</u>	<u>6,719,024</u>	<u>90,481</u>	<u>208,929</u>	<u>394,188</u>	<u>10,121,206</u>
EQUITY									
Capital surplus	22,209	1,155,849	9,452,199	15,210,390	40,747,929	2,416	6,260	1,013,013	67,610,265
Operating surplus (deficit)	1,152,549	1,613,485	356,318	(181,032)	(1,169,053)	(69,054)	(108,260)	30,061	1,625,014
	<u>1,174,758</u>	<u>2,769,334</u>	<u>9,808,517</u>	<u>15,029,358</u>	<u>39,578,876</u>	<u>(66,638)</u>	<u>(102,000)</u>	<u>1,043,074</u>	<u>69,235,279</u>
	<u>\$1,304,081</u>	<u>\$2,895,728</u>	<u>\$11,180,592</u>	<u>\$16,110,150</u>	<u>\$46,297,900</u>	<u>\$23,843</u>	<u>\$106,929</u>	<u>\$1,437,262</u>	<u>\$79,356,485</u>

See accompanying notes to the financial statements.

Approved by Peter Langelie

CROSSROADS REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATING SURPLUS
(Unaudited - see Notice to Reader)
YEAR ENDED MARCH 31, 1995

	<u>CRHA Central Administration</u>	<u>Breton General Hospital</u>	<u>Drayton Valley Health Complex</u>	<u>Leduc General Hospital</u>	<u>Wetaskiwin Hospital District</u>	<u>Alberta West Central Health Unit</u>	<u>Leduc Strathcona Health Unit</u>	<u>Wetoka Health Unit</u>	<u>Total</u>
Operating surplus									
Beginning of year	\$ —	\$1,567,576	\$1,146,953	\$(195,101)	\$ 42,120	\$89,122	\$ 24,988	\$216,340	\$2,891,998
Change in accounting policy (Note 4)	—	—	(343,858)	100,923	(1,104,441)	(59,406)	(137,463)	(160,664)	(1,704,909)
As restated	—	1,567,576	803,095	(94,178)	(1,062,321)	29,716	(112,475)	55,676	1,187,089
Excess of revenue over expenditures (expenditures over revenue)	1,174,758	95,128	(967,308)	(506,280)	(1,504,609)	(98,826)	1,085	(27,209)	(1,833,261)
Amortization	—	103,386	1,005,747	660,639	1,880,815	56	3,130	58,838	3,712,611
Funding proceeds on disposal	—	4,846	3,000	—	—	—	—	—	7,846
Adjustments	—	—	—	—	417	—	—	—	417
Capital assets purchased	(22,209)	(157,451)	(219,716)	(241,213)	(198,557)	—	—	(49,011)	(888,157)
Inter-facility transfers	—	—	—	—	(284,798)	—	—	—	(284,798)
Transferred to operations	—	—	—	—	—	—	—	(8,233)	(8,233)
Transferred to foundations	—	—	(268,500)	—	—	—	—	—	(268,500)
Operating surplus (deficit), end of year	<u>\$1,152,549</u>	<u>\$1,613,485</u>	<u>\$ 356,318</u>	<u>\$(181,032)</u>	<u>\$(1,169,053)</u>	<u>\$(69,054)</u>	<u>\$(108,260)</u>	<u>\$ 30,061</u>	<u>\$1,625,014</u>

See accompanying notes to the financial statements.

CROSSROADS REGIONAL HEALTH AUTHORITY
STATEMENT OF CAPITAL SURPLUS
(Unaudited - see Notice to Reader)
YEAR ENDED MARCH 31, 1995

	<u>CRHA Central Administration</u>	<u>Breton General Hospital</u>	<u>Drayton Valley Health Complex</u>	<u>Leduc General Hospital</u>	<u>Wetaskiwin Hospital District</u>	<u>Alberta West Central Health Unit</u>	<u>Leduc Strathcona Health Unit</u>	<u>Wetoka Health Unit</u>	<u>Total</u>
Capital surplus									
Beginning of year	\$ —	\$1,103,055	\$10,232,415	\$15,597,965	\$43,184,404	\$2,472	\$704,277	\$1,854,210	\$72,678,798
Change in accounting policy (Note 4)	—	—	—	—	(113,310)	—	(694,887)	(831,370)	(1,639,567)
As restated	—	1,103,055	10,232,415	15,597,965	43,071,094	2,472	9,390	1,022,840	71,039,231
Capital assets purchased	22,209	157,451	219,716	241,213	198,557	—	—	49,011	888,157
Inter-facility transfers	—	—	—	—	284,798	—	—	—	284,798
Transfers from foundation and donations	—	—	13,500	39,884	104,952	—	—	—	158,336
Amortization	—	(103,386)	(1,005,747)	(660,639)	(1,880,815)	(56)	(3,130)	(58,838)	(3,712,611)
Interest on long term financing	—	—	—	(8,033)	—	—	—	—	(8,033)
Cost of property disposed	—	(1,271)	(7,685)	—	(1,030,657)	—	—	—	(1,039,613)
Capital surplus, end of year	<u>\$22,209</u>	<u>\$1,155,849</u>	<u>\$ 9,452,199</u>	<u>\$15,210,390</u>	<u>\$40,747,929</u>	<u>\$2,416</u>	<u>\$ 6,260</u>	<u>\$1,013,013</u>	<u>\$67,610,265</u>

See accompanying notes to the financial statements.

CROSSROADS REGIONAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited - see Notice to Reader)
MARCH 31, 1995

Note 1 Authority, purpose and operations

The Crossroads Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is a registered charity under the Income Tax Act and is therefore exempt from payment of income tax.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The Authority assumed the assets, liabilities, surplus (deficit) and operations of the following entities during the period pursuant to Orders-in-Council or Ministerial Orders issued under the Regional Health Authorities Act on the dates listed below:

<u>Entity</u>	<u>Effective Date</u>
Breton General Hospital	March 31, 1995
Drayton Valley Health Complex	March 31, 1995
Leduc General Hospital	March 31, 1995
Wetaskiwin Hospital District	March 31, 1995
Alberta West Central Health Unit	March 31, 1995
Leduc-Strathcona Health Unit	March 31, 1995
Wetoka Health Unit	March 31, 1995

The assets, liabilities, surplus (deficit) and operations of the Alberta West Central Health Unit were assumed in part by the WestView Regional Health Authority, the Mistahia Regional Health Authority and the Crossroads Regional Health Authority pursuant to Order-in-Council, and allocation guidelines prescribed by the Minister of Health.

The assets, liabilities, deficit and operations of the Leduc-Strathcona Health Unit were assumed in part by the WestView Regional Health Authority, the Lakeland Regional Health Authority and the Crossroads Regional Health Authority pursuant to Order-in-Council, and allocation guidelines prescribed by the Minister of Health.

The assets, liabilities, surplus and operations of the Wetoka Health Unit were assumed in part by the David Thompson Regional Health Authority, and in part by the Crossroads Regional Health Authority pursuant to Order-in-Council, and allocation guidelines prescribed by the Minister of Health.

Note 2 Basis of presentation

This summary includes all entities which the Crossroads Regional Health Authority (CRHA) took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.

CRHA Central Administration relates to the audited financial statements covering the CRHA central administrative function.

There is no audit of the CRHA total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.

Money provided by the Central Administration Division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated because they are not of material amount.

1994/95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total.

Note 3 Summary of significant accounting policies

The financial statements have been prepared in accordance with generally accepted accounting principles except where otherwise stated and reflect the following policies:

Assets, liabilities, revenue and expenditures

Assets, liabilities, revenues and expenditures are recorded in the accounts on the accrual basis of accounting; except donations which are recorded as revenue when received and contingent liabilities which are expensed only when the actual liabilities materialize.

Capital assets

Capital assets are recorded at cost, and in accordance with fund accounting principles.

Proceeds from disposals of capital assets as well as government grants for the acquisition of capital assets are recorded as revenue in the Statement of Capital Surplus.

Capital assets are amortized on a straight-line basis at the following rates:

Building	2.5%
Land improvements	5%
Major equipment	5-20%
Vehicles	20%

Amortization expense is charged to the Statement of Revenue and Expenditure.

Statement of changes in financial position

This statement is not presented as the statement of Revenue and Expenditures adequately discloses the financing and investing activities of Crossroads Regional Health Authority.

Pension cost and obligation

The Pension obligation represents the Authority's portion of the unfunded pension liabilities of the Local Authorities and Public Service Pension Plan, incurred on behalf of the Authority's employees.

The cost of previous obligations earned by employees during the year and interest on the portion of unfunded liabilities which the Authority is now required to fund, are recorded as expenditures of the year. The cost is comprised of a cash amount and a non-cash amount. Both amounts are included as part of salary and benefit expense.

Note 4 Change in accounting policy

During the year the entities retroactively adopted the accounting policies described in Note 2 with respect to capital assets and amortization, accrued vacation pay and pension liabilities and costs. Previously, capital assets acquired during the year were expensed on the Statement of Revenue and Expenditures. Accrued vacation pay and pension liability were not recorded.

The net effect of the changes can be reviewed by examining each of the audited financial statements prepared.

Note 5 Long-term investment

Investment in shares	\$ 10
Phoenix solutions Inc.	
60,000 Class A common shares	<u>600</u>
	<u>\$610</u>

Note 6 Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 1,723,908	\$ —	\$ 1,723,908
Land improvements	567,073	420,758	146,315
Buildings	75,935,958	17,113,301	58,822,657
Equipment	17,383,272	10,469,694	6,913,578
Vehicles	201,953	88,474	113,479
Other	8,676	—	8,676
	<u>\$95,820,840</u>	<u>\$28,092,227</u>	<u>\$67,728,613</u>

Note 7 Deferred development expenditures

Land development costs are carried at the lower of cost and estimated net realizable value. Cost includes the cost of land, construction costs and other direct costs associated with development.

The cost of land is pro-rated to each phase of a project on a per unit basis. Management has estimated 100 units will occupy the area designated for the Assisted Living Program.

Note 8 Long term financing

10.75% debenture repayable at \$11,762 per annum, including interest, maturing December 15, 1998. To be repaid from future lease income from ambulance garage	\$35,927
Bank loan repayable at \$525 per month, including interest at prime plus 1%. To be repaid from future lease income from rental property	<u>13,386</u>
	<u>\$49,313</u>

Principal repayments over the next four years are as follows:

1996	\$13,318
1997	14,593
1998	11,539
1999	<u>9,863</u>
	<u>\$49,313</u>

Note 9 Obligation on capital leases

15% lease contract payable at \$945 per month, maturing August 1996	\$ 7,764
16% lease contract payable at \$1,725 per month, maturing February 1996	6,258
11% lease contract payable at \$604 per month, maturing August 1997	5,238
14% lease contract payable at \$794 per month, maturing November 1996	2,226
14% lease contract payable at \$1,527 per month, maturing September 1996	2,900
17% lease contract payable at \$1,196 per month, maturing February 1996	11,071
13% lease contract payable at \$896 per month, maturing April 1994	<u>—</u>
	<u>\$35,457</u>

Future minimum lease payments over the next three years are as follows:

1996	\$30,500
1997	6,198
1998	<u>3,099</u>
	39,797
Imputed interest and costs	<u>(4,340)</u>
	<u>\$35,457</u>

Note 10 Pension costs and obligations

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and the Public Service Pension Plan that are defined pension plans. The plans provide pensions for the Authority's employees based on length of service and earnings.

Under the Public Sector Pension Plans Act, passed in May, 1993, the Government, employers and employees accepted responsibility to pay the unfunded obligation. The Authority's share of the unfunded past service obligation is based on a percentage of pensionable payroll. The unfunded past service liability of the plan is extrapolated from an actuarial evaluation performed December 31, 1993 for Local Authorities Pension Plan and on December 31, 1994 for Public Service Pension Plan. The obligation is to be fully funded by December 31, 2043.

The unfunded liability is represented as follows:

Public Service Pension Plan	
Total unfunded pension liability is \$787,000,000	
Unfunded pension liability applicable to the Authority	\$ 268,541
Local Authorities Pension Plan	
Total unfunded pension liability is \$941,800,000	
Unfunded pension liability applicable to the Authority	<u>1,949,274</u>
Total Unfunded Pension Liability	<u>\$2,217,815</u>

Note 11 Health Units - financial statement assumptions

Where amounts were region specific they were allocated appropriately. For amounts which were not specifically allocated to a region, allocations were made based on guidelines prescribed by the Minister of Health.

Note 12 1994/95 Financial statement summary

1994/95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the CRHA will fund these entities directly. Had 1994/95 funding to these external entities been routed through the CRHA, the Total Revenue and Total Expenditure would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per statement of revenue and expenditures	\$44,608,076
Adjustments for funding	
Voluntary facilities	2,666,735
Private facilities	2,088,409
Other	18,424
Adjustment for client fees and charges	1,718,636
	<u>\$51,100,280</u>
Total expenditures per statement of revenue and expenditures	\$42,182,114
Adjustments for funding	
Voluntary facilities	2,666,735
Private facilities	2,341,404
Other	18,424
Adjustments for client fees and charges	1,718,636
Total expenditures restated	<u>\$48,927,313</u>

The voluntary and private facilities have prepared separate audited financial statements.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	RHA Central Administration (2)	Bashaw General Hospital	Bentley General Hospital	Eckville Health Care Centre	Eckville Special Purpose	Eckville Building Project	Elnora General Hospital	Innisfail Health Care Centre	Innisfail Special Purpose
BALANCE SHEET									
ASSETS									
Current Assets									
Cash	\$ 919,385	\$ 345,153	\$ 709,023	\$ 72,512	\$ 5,204	\$ 2,796	\$ 96,021	\$ 2,166,678	\$ 21,184
Short term investments	—	505,000	—	—	202,872	532,454	—	—	—
Accounts receivable	1,537	19,039	2,817	8,076	—	5,096	6,976	75,248	15,366
Inventories	—	19,391	—	8,761	—	—	16,875	82,111	—
Other assets	—	—	—	—	—	—	—	—	—
Prepaid expenses	—	6,155	2,757	6,017	—	—	1,666	26,123	—
Total current assets	920,922	894,738	714,597	95,366	208,076	540,346	121,538	2,350,160	36,550
Portfolio Investments	—	—	—	299,850	—	—	—	—	—
Capital Assets	57,550	487,633	1,795,885	240,885	—	424,734	1,540,270	11,296,999	—
Total Assets	<u>\$978,472</u>	<u>\$1,382,371</u>	<u>\$2,510,482</u>	<u>\$636,101</u>	<u>\$208,076</u>	<u>\$965,080</u>	<u>\$1,661,808</u>	<u>\$13,647,159</u>	<u>\$ 36,550</u>
LIABILITIES & EQUITY									
Current Liabilities									
Accounts payable	\$ 25,013	\$ 97,292	\$ 123,513	\$292,100	\$ —	\$ —	\$ 317,828	\$ 804,965	\$ —
Unexpended special projects	—	—	—	—	—	—	—	—	—
Due to/due from	—	—	—	78	(78)	—	—	1,012,255	(1,012,255)
Current portion of long term debt	—	—	—	—	—	—	—	—	—
Deferred revenue	438,584	—	—	1,575	—	—	—	—	—
Total current liabilities	463,597	97,292	123,513	293,753	(78)	—	317,828	1,817,220	(1,012,255)
Long Term Debt	—	—	—	—	—	—	—	—	—
Unfunded Pension Liability	—	81,178	55,220	54,512	—	—	18,069	310,307	—
Total Liabilities	463,597	178,470	178,733	348,265	(78)	—	335,897	2,127,527	(1,012,255)
Total Equity	514,875	1,203,901	2,331,749	287,836	208,154	965,080	1,325,911	11,519,632	1,048,805
Total Liabilities & Equity	<u>\$978,472</u>	<u>\$1,382,371</u>	<u>\$2,510,482</u>	<u>\$636,101</u>	<u>\$208,076</u>	<u>\$965,080</u>	<u>\$1,661,808</u>	<u>\$13,647,159</u>	<u>\$ 36,550</u>

See accompanying notes.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

BALANCE SHEET (continued)

	<u>Lacombe Special Purpose</u>	<u>Lacombe Hospital Acute Care</u>	<u>Lacombe Hospital Long Term Care</u>	<u>Olds Hospital</u>	<u>Olds Special Purpose</u>	<u>Ponoka General Hospital</u>	<u>Red Deer Regional</u>	<u>Red Deer Regional Special Purpose</u>	<u>Rimber Health Care Centre</u>
ASSETS									
Current Assets									
Cash	\$ 10,415	\$ 44,013	\$ 3,724	\$ 763,329	\$122,573	\$ 265,539	\$ 1,491,029	\$ 873	\$ 867,262
Short term investments	1,574,554	—	—	—	211,000	222,032	4,063,509	—	—
Accounts receivable	8,203	69,087	2,008	99,649	2,007	56,757	1,303,536	115,226	133,251
Inventories	—	60,102	—	52,504	—	75,638	1,675,900	—	69,611
Other assets	—	—	—	—	—	—	—	28,521	—
Prepaid expenses	—	6,194	6,194	3,712	—	5,011	230,451	—	9,081
Total current assets	1,593,172	179,396	11,926	919,194	335,580	624,977	8,764,425	144,620	1,079,205
Portfolio Investments	—	—	—	—	—	—	—	—	—
Capital Assets	256,065	7,172,882	—	11,184,693	—	11,498,680	52,212,644	—	9,306,754
Total Assets	<u>\$1,849,237</u>	<u>\$7,352,278</u>	<u>\$ 11,926</u>	<u>\$12,103,887</u>	<u>\$335,580</u>	<u>\$12,123,657</u>	<u>\$60,977,069</u>	<u>\$ 144,620</u>	<u>\$10,385,959</u>
LIABILITIES & EQUITY									
Current Liabilities									
Accounts payable	\$ —	\$ 191,999	\$ 120,161	\$ 789,993	\$ 17,647	\$ 439,608	\$10,396,930	\$ 150,086	\$ 443,462
Unexpended special projects	—	—	—	—	—	—	—	—	—
Due to/due from	(2,258)	364,050	(361,792)	(108,643)	108,643	—	1,963,550	(1,963,550)	—
Current portion of long term debt	—	—	—	32,339	—	—	114,081	—	—
Deferred revenue	—	—	19,580	—	—	—	433,037	—	85,519
Total current liabilities	(2,258)	556,049	(222,051)	713,689	126,290	439,608	12,907,598	(1,813,464)	528,981
Long Term Debt	—	—	—	293,930	—	—	798,562	—	—
Unfunded Pension Liability	—	314,912	81,104	284,713	—	312,578	3,611,118	—	236,467
Total Liabilities	(2,258)	870,961	(140,947)	1,292,332	126,290	752,186	17,317,278	(1,813,464)	765,448
Total Equity	1,851,495	6,481,317	152,873	10,811,555	209,290	11,371,471	43,659,791	1,958,084	9,620,511
Total Liabilities & Equity	<u>\$1,849,237</u>	<u>\$7,352,278</u>	<u>\$ 11,926</u>	<u>\$12,103,887</u>	<u>\$335,580</u>	<u>\$12,123,657</u>	<u>\$60,977,069</u>	<u>\$ 144,620</u>	<u>\$10,385,959</u>

See accompanying notes.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Rocky Mountain House Acute	Rocky Mountain House Long Term Care	Sundre General Hospital	Red Deer Health Unit	Mount View Health Unit	East Central Health Unit	Wetoka Health Unit	Total (3)(4)(5)
BALANCE SHEET (continued)								
ASSETS								
Current Assets								
Cash	\$ 261,205	\$ 11,110	\$ 51,772	\$ 801,117	\$ —	\$ 6,841	\$ 162,792	\$ 9,201,550
Short term investments	—	—	1,280,603	—	—	—	—	8,592,024
Accounts receivable	101,908	35,860	67,378	28,741	—	1,252	8,489	2,167,507
Inventories	87,009	—	21,625	—	—	—	—	2,169,527
Other assets	—	—	—	—	118,755	—	—	147,276
Prepaid expenses	2,804	—	5,355	7,050	—	—	3,000	321,570
Total current assets	452,926	46,970	1,426,733	836,908	118,755	8,093	174,281	22,599,454
Portfolio Investments	125	—	—	—	—	—	—	299,975
Capital Assets	1,599,596	455,270	1,589,478	1,837,380	427,857	—	857,523	114,242,778
Total Assets	<u>\$2,052,647</u>	<u>\$502,240</u>	<u>\$3,016,211</u>	<u>\$2,674,288</u>	<u>\$546,612</u>	<u>\$ 8,093</u>	<u>\$1,031,804</u>	<u>\$137,142,207</u>
LIABILITIES & EQUITY								
Current Liabilities								
Accounts payable	\$ 357,791	\$ 11,110	\$ 524,619	\$ 763,790	\$ 27,472	\$17,965	\$ 129,878	\$ 16,043,222
Unexpended special projects	—	—	—	—	103,564	—	792	104,356
Due to/due from	(203,246)	203,246	—	—	—	—	—	—
Current portion of long term debt	—	—	—	28,556	—	—	13,000	187,976
Deferred revenue	191,839	141	—	—	—	—	20	1,170,295
Total current liabilities	346,384	214,497	524,619	792,346	131,036	17,965	143,690	17,505,849
Long Term Debt	—	—	—	533,020	66,646	—	442,450	2,134,608
Unfunded Pension Liability	162,810	80,190	61,063	448,603	—	—	42,113	6,154,957
Total Liabilities	509,194	294,687	585,682	1,773,969	197,682	17,965	628,253	25,795,414
Total Equity	1,543,453	207,553	2,430,529	900,319	348,930	(9,872)	403,551	111,346,793
Total Liabilities & Equity	<u>\$2,052,647</u>	<u>\$502,240</u>	<u>\$3,016,211</u>	<u>\$2,674,288</u>	<u>\$546,612</u>	<u>\$ 8,093</u>	<u>\$1,031,804</u>	<u>\$137,142,207</u>

See accompanying notes.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY ⁽¹⁾
(Unaudited)
(thousands of dollars)

	<u>RHA Central Administration (2)</u>	<u>Bashaw General Hospital</u>	<u>Bentley General Hospital</u>	<u>Eckville Health Care Centre</u>	<u>Eckville Special Purpose</u>	<u>Eckville Building Project</u>	<u>Elnora General Hospital</u>	<u>Innisfail Health Care Centre</u>	<u>Innisfail Special Purpose</u>
STATEMENT OF REVENUE AND EXPENDITURE									
Revenue									
Contributions From Alberta Health	\$ 443	\$1,670	\$1,179	\$1,655	\$ —	\$ —	\$ 944	\$5,401	\$ —
Transitional funds from Alberta Health	567	—	—	—	—	—	—	—	—
Client fees and charges	—	134	109	118	—	—	22	617	—
Other	5	83	11	77	—	—	18	84	—
Total Revenue (6)	<u>1,015</u>	<u>1,887</u>	<u>1,299</u>	<u>1,850</u>	<u>—</u>	<u>—</u>	<u>984</u>	<u>6,102</u>	<u>—</u>
Expenditures									
Salaries & benefits	263	1,212	817	1,216	—	—	823	4,713	—
Drugs & medical supplies	—	61	34	38	—	—	18	286	—
Physical plant, maintenance & rent	—	70	51	38	—	—	38	225	—
Other	237	264	204	319	—	—	104	634	—
Total Expenditure (7)	<u>500</u>	<u>1,607</u>	<u>1,106</u>	<u>1,611</u>	<u>—</u>	<u>—</u>	<u>983</u>	<u>5,858</u>	<u>—</u>
Total Surplus/(Deficit) before Extraordinary & Non-Cash Expenditure	<u>515</u>	<u>280</u>	<u>193</u>	<u>239</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>244</u>	<u>—</u>
Extraordinary Items									
Severance package	—	97	83	377	—	—	265	270	—
Regionalization	—	—	—	—	—	—	—	—	—
Liability insurance	—	5	2	5	—	—	2	11	—
Total Extraordinary Items (8)	<u>—</u>	<u>102</u>	<u>85</u>	<u>382</u>	<u>—</u>	<u>—</u>	<u>267</u>	<u>281</u>	<u>—</u>
Surplus/(Deficit) before Non-Cash Expenditure	<u>515</u>	<u>178</u>	<u>108</u>	<u>(143)</u>	<u>—</u>	<u>—</u>	<u>(266)</u>	<u>(37)</u>	<u>—</u>
Non-cash Expenditures									
Capital development costs written off	—	532	—	—	—	—	—	—	—
Depreciation	—	68	131	75	—	—	77	417	—
Unfunded pension liability	—	6	10	9	—	—	3	41	—
Total Non-Cash Expenditures (9)	<u>—</u>	<u>606</u>	<u>141</u>	<u>84</u>	<u>—</u>	<u>—</u>	<u>80</u>	<u>458</u>	<u>—</u>
Surplus/(Deficit) for the Year	<u>\$ 515</u>	<u>\$ (428)</u>	<u>\$ (33)</u>	<u>\$ (227)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$(346)</u>	<u>\$ (495)</u>	<u>\$ —</u>

See accompanying notes.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY ⁽¹⁾
(Unaudited)
(thousands of dollars)

	Lacombe Special Purpose	Lacombe Hospital Acute Care	Lacombe Hospital Long Term Care	Olds Hospital	Olds Hospital Long Term Care	Ponoka General Hospital	Red Deer Regional Acute	Red Deer Regional Long Term Care	Rimbey Health Care Centre
STATEMENT OF REVENUE AND EXPENDITURE (continued)									
Revenue									
Contributions from Alberta Health	\$ —	\$4,115	\$2,156	\$3,670	\$1,611	\$5,276	\$53,240	\$ 9,748	\$4,804
Transitional funds from Alberta Health	—	—	—	—	—	—	—	—	—
Client fees and charges	—	223	752	146	486	383	1,900	3,617	843
Other	—	168	50	2	—	115	12	6	126
Total Revenue (6)	—	4,506	2,958	3,818	2,097	5,774	55,152	13,371	5,773
Expenditures									
Salaries & benefits	—	3,188	2,244	3,036	1,656	4,296	44,906	11,523	4,392
Drugs & medical supplies	—	188	68	215	62	225	4,829	300	142
Physical plant, maintenance & rent	—	233	281	115	89	231	981	74	104
Other	—	615	317	380	182	863	4,098	1,565	1,031
Total Expenditure (7)	—	4,224	2,910	3,746	1,989	5,615	54,814	13,462	5,669
Total Surplus/(Deficit) before Extraordinary & Non-Cash Expenditure	—	282	48	72	108	159	338	(91)	104
Extraordinary Items									
Severance package	—	48	51	129	39	163	783	267	143
Regionalization	—	16	11	16	6	40	472	—	—
Liability insurance	—	6	6	8	4	11	73	16	9
Total Extraordinary Items (8)	—	70	68	153	49	214	1,328	283	152
Surplus/(Deficit) before Non-Cash Expenditure	—	212	(20)	(81)	59	(55)	(990)	(374)	(48)
Non-cash Expenditures									
Capital development costs written off	—	—	—	—	—	—	—	—	—
Depreciation	—	934	—	576	19	505	3,604	314	645
Unfunded pension liability	—	10	3	24	13	54	391	86	16
Total Non-Cash Expenditures (9)	—	944	3	600	32	559	3,995	400	661
Surplus/(Deficit) for the Year	\$ —	\$ (732)	\$ (23)	\$ (681)	\$ 27	\$ (614)	\$ (4,985)	\$ (774)	\$ (709)

See accompanying notes.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)
(thousands of dollars)

	Rocky Mountain House <u>Acute</u>	Rocky Mountain House Long <u>Term Care</u>	Sundre General <u>Hospital</u>	Red Deer Health <u>Unit</u>	Mount View Health <u>Unit</u>	East Central Health <u>Unit</u>	Wetoka Health <u>Unit</u>	Total (3)(4)(5)
STATEMENT OF REVENUE AND EXPENDITURE (continued)								
Revenue								
Contributions from Alberta Health	\$3,695	\$1,082	\$2,387	\$8,938	\$792	\$186	\$1,574	\$114,566
Transitional funds from Alberta Health	—	—	—	—	—	—	—	567
Client fees and charges	182	341	125	—	—	—	55	10,053
Other	130	—	63	286	20	5	—	1,261
Total Revenue (6)	4,007	1,423	2,575	9,224	812	191	1,629	126,447
Expenditures								
Salaries & benefits	2,884	1,217	1,956	6,682	606	140	1,145	98,915
Drugs & medical supplies	252	37	134	—	—	—	—	6,889
Physical plant, maintenance & rent	349	56	119	233	—	7	—	3,294
Other	415	191	370	2,079	184	53	500	14,605
Total Expenditure (7)	3,900	1,501	2,579	8,994	790	200	1,645	123,703
Total Surplus/(Deficit) before Extraordinary & Non-Cash Expenditure	107	(78)	(4)	230	22	(9)	(16)	2,744
Extraordinary Items								
Severance package	24	12	269	161	—	10	—	3,191
Regionalization	—	—	—	—	—	—	—	561
Liability insurance	5	3	6	—	—	—	—	172
Total Extraordinary Items (8)	29	15	275	161	—	10	—	3,924
Surplus/(Deficit) before Non-Cash Expenditure	78	(93)	(279)	68	22	(19)	(16)	(1,180)
Non-cash Expenditures								
Capital development costs written off	—	—	—	—	—	—	—	532
Depreciation	271	55	176	132	—	1	—	8,000
Unfunded pension liability	6	3	8	38	—	—	—	721
Total Non-Cash Expenditures (9)	277	58	184	170	—	1	—	9,253
Surplus/(Deficit) for the Year	\$ (199)	\$ (151)	\$ (463)	\$ (101)	\$ 22	\$ (20)	\$ (16)	\$ (10,433)

See accompanying notes.

DAVID THOMPSON REGIONAL HEALTH AUTHORITY
NOTES TO THE 1994/95 FINANCIAL STATEMENT SUMMARY
(Unaudited)
(thousands of dollars)

- (1) This summary includes all entities which the Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
- (2) Relates to the audited financial statements covering the Regional Health Authority central administrative function.
- (3) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
- (4) Money provided by the central administration division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated because they are not of material amount.
- (5) 1994/95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the Regional Health Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Regional Health Authority, the Total Revenue and Total Expenditure would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per (6) above	\$126,447
Adjustment for client fees and charges	1,111
Adjustment for funding - voluntary facilities	2,145
- private facilities	1,714
- community agencies	117
Total Revenue restated	<u>\$131,534</u>
 Total Expenditure per (7) above	 \$123,703
Total Extraordinary Items per (8) above	3,924
Total Non-Cash Expenditures per (9) above	9,253
Adjustment for client fees and charges	1,111
Adjustment for funding - voluntary facilities	2,145
- private facilities	1,714
- community agencies	117
Total Expenditure restated	<u>\$141,967</u>

The Regional Health Authority Central Administration surplus before non-cash expenditure includes transitional income of \$567. These funds were included in revenue in the 1995/96 budget. If these funds had not been included in 1994/95 revenue, Central Administration would have had a deficit before non-cash expenditure of \$52. The deficit before non-cash expenditure for the Regional Health Authority as a whole would have been \$1,747. These transitional funds were budgeted to offset the deficit in 1995/96 and including them in 1994/95 understates the deficit for 1994/95.

Approved: Finance Committee of David Thompson Regional Health Authority - August 4, 1995

Approved: D.B. Jaipaul Director, Corporate Finance.

EAST CENTRAL REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (A)
(Unaudited)
(thousands of dollars)

BALANCE SHEET

ASSETS

Current Assets

	Daysland General & Auxiliary Hospital	Killam Auxiliary Hospital	Tofield Health Centre #47	Viking General Hospital	Dr. Cooke Extended Care Lloyd- minster	Islay Municipal Hospital	Mannville Hospital
Cash	\$ 338	\$ 287	\$ 1,517	\$ 94	\$ 90	\$ 47	\$ 228
Short term investments	500	135	—	—	675	617	304
Accounts receivable	31	1	22	42	63	20	88
Inventories	61	6	54	37	21	14	42
Prepaid expenses	—	—	12	10	47	—	12
Total current assets	930	429	1,605	183	896	698	674
Portfolio Investments	—	—	—	904	—	—	—
Capital Assets	8,608	1,500	11,568	3,250	10,142	1,616	1,827
Funds Held in Trust	—	—	—	—	—	—	—
Total Assets	<u>\$9,538</u>	<u>\$1,929</u>	<u>\$13,173</u>	<u>\$4,337</u>	<u>\$11,038</u>	<u>\$2,314</u>	<u>\$2,501</u>

LIABILITIES AND EQUITY

Current Liabilities

	\$ —	\$ —	\$ —	\$ —	\$ 147	\$ —	\$ —
Bank indebtedness	—	—	—	—	147	—	—
Accounts payable	251	130	104	170	44	42	146
Accrued employee benefits	264	120	504	594	251	211	349
Deferred revenue	—	—	20	45	330	—	—
Total current liabilities	515	250	628	809	772	253	495
Long-Term debt	—	—	—	—	—	—	—
Unfunded Pension Liability	197	71	320	149	309	72	87
Operating Fund Balance	8,826	106	652	129	525	373	92
Restricted Fund Balances	—	2	6	—	—	—	—
Equity in Capital Assets	—	1,500	11,567	3,250	9,432	1,616	1,827
Total Liabilities & Equity	<u>\$9,538</u>	<u>\$1,929</u>	<u>\$13,173</u>	<u>\$4,337</u>	<u>\$11,038</u>	<u>\$2,314</u>	<u>\$2,501</u>

STATEMENT OF
REVENUE & EXPENDITURE

Revenue

	\$3,029	\$1,489	\$ 4,979	\$2,822	\$ 3,042	\$1,375	\$2,043
Contributions from Alberta Health	129	481	612	37	1,401	205	146
Client fees and charges	—	38	145	70	97	108	69
Other	—	—	—	—	—	—	—
Total Revenue (F)	<u>3,158</u>	<u>2,008</u>	<u>5,736</u>	<u>2,929</u>	<u>4,540</u>	<u>1,688</u>	<u>2,258</u>

Expenditures

	2,531	1,763	4,300	2,455	3,635	1,259	1,731
Salaries and benefits	209	73	203	120	242	33	73
Drugs and medical supplies	134	73	254	207	112	113	116
Physical plant supplies, maintenance, rent	826	258	1,123	844	1,034	453	564
Other	—	—	—	—	—	—	—
Total Expenditure (G)	<u>3,700</u>	<u>2,167</u>	<u>5,880</u>	<u>3,626</u>	<u>5,023</u>	<u>1,858</u>	<u>2,484</u>

Surplus/(Deficit)

	\$ (542)	\$ (159)	\$ (144)	\$ (697)	\$ (483)	\$ (170)	\$ (226)
	<u>(542)</u>	<u>(159)</u>	<u>(144)</u>	<u>(697)</u>	<u>(483)</u>	<u>(170)</u>	<u>(226)</u>

See accompanying notes.

EAST CENTRAL REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (A)
(Unaudited)
(thousands of dollars)

BALANCE SHEET (continued)

ASSETS

Current Assets

	Provost Municipal Health Care	Vermilion Health Care Complex	Wainwright & District Health Care Complex	Consort Municipal Hospital #22	Coronation & District Health Care	Galahad Health Care Centre	Hardisty General Hospital
Cash	\$1,108	\$ 323	\$ 9	\$ 436	\$ —	\$ 847	\$ 235
Short term investments	—	—	1,750	—	100	—	—
Accounts receivable	113	81	167	7	39	11	19
Inventories	98	67	85	52	79	28	6
Prepaid expenses	—	14	—	—	33	2	5
Total current assets	1,319	485	2,011	495	251	888	265
Portfolio Investments	—	—	—	—	—	—	—
Capital Assets	5,437	6,624	11,421	5,176	7,459	5,862	5,493
Funds Held in Trust	—	48	31	—	6	—	—
Total Assets	\$6,756	\$7,157	\$13,463	\$5,671	\$7,716	\$6,750	\$5,758

LIABILITIES AND EQUITY

Current Liabilities

Bank indebtedness	\$ —	\$ —	\$ 164	\$ —	\$ 89	\$ —	\$ —
Accounts payable	653	674	683	41	322	674	46
Accrued employee benefits	—	—	309	168	223	—	65
Deferred revenue	39	—	—	—	—	—	—
Total current liabilities	692	674	1,156	209	634	674	111
Long-Term debt	—	—	—	—	—	—	—
Unfunded Pension Liability	204	323	367	74	140	129	77
Operating Fund Balance	468	(512)	487	352	(523)	85	77
Restricted Fund Balances	—	48	32	4	6	—	—
Equity in Capital Assets	5,392	6,624	11,421	5,032	7,459	5,862	5,493
Total Liabilities & Equity	\$6,756	\$7,157	\$13,463	\$5,671	\$7,716	\$6,750	\$5,758

STATEMENT OF REVENUE
& EXPENDITURE (continued)

Revenue

Contributions from Alberta Health	\$3,832	\$5,476	\$ 5,804	\$1,625	\$3,131	\$1,888	\$1,804
Client fees and charges	1,032	704	942	76	510	202	63
Other	280	242	222	54	42	12	24
Total Revenue (F)	5,144	6,422	6,968	1,755	3,683	2,102	1,891

Expenditures

Salaries and benefits	3,486	5,248	5,609	1,274	3,171	2,058	1,371
Drugs and medical supplies	162	212	223	51	163	24	68
Physical plant supplies, maintenance, rent	438	358	388	168	243	114	161
Other	1,160	1,034	1,357	465	730	537	700
Total Expenditure (G)	5,246	6,852	7,577	1,958	4,307	2,733	2,300

Surplus/(Deficit)	\$ (102)	\$ (430)	\$ (609)	\$ (203)	\$ (624)	\$ (631)	\$ (409)
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See accompanying notes.

EAST CENTRAL REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (A)
(Unaudited)
(thousands of dollars)

BALANCE SHEET (continued)

ASSETS

Current Assets

	Stettler General Hospital	Alberta East Central Health Unit	Big Country Health Unit	Minburn Vermilion Health Unit	Vegreville Health Unit	(B) RHA Central Administration	East Central RHA Total (C)(D)(E)
Cash	\$ 769	\$ 178	\$ 21	\$ 298	\$ 10	\$1,021	\$ 7,856
Short term investments	778	—	—	—	—	—	4,859
Accounts receivable	90	33	3	11	3	5	849
Inventories	108	—	—	—	—	—	758
Prepaid expenses	—	—	—	38	—	—	173
Total current assets	1,745	211	24	347	13	1,026	14,495
Portfolio Investments	—	—	—	—	—	—	904
Capital Assets	11,732	191	370	309	5	—	98,590
Funds Held in Trust	—	—	—	—	—	—	85
Total Assets	\$13,477	\$ 402	\$394	\$ 656	\$ 18	\$1,026	\$114,074

LIABILITIES AND EQUITY

Current Liabilities

	\$	\$	\$	\$	\$	\$	\$
Bank indebtedness	—	—	—	—	—	—	400
Accounts payable	433	212	3	157	2	153	4,940
Accrued employee benefits	615	546	2	76	8	—	4,305
Deferred revenue	102	—	—	9	—	873	1,418
Total current liabilities	1,150	758	5	242	10	1,026	11,063
Long-Term debt	—	13	—	—	—	—	13
Unfunded Pension Liability	400	271	15	124	27	—	3,356
Operating Fund Balance	143	(818)	374	290	(24)	—	11,102
Restricted Fund Balances	52	—	—	—	—	—	150
Equity in Capital Assets	11,732	178	—	—	5	—	88,390
Total Liabilities & Equity	\$13,477	\$ 402	\$394	\$ 656	\$ 18	\$1,026	\$114,074

STATEMENT OF REVENUE
& EXPENDITURE (continued)

Revenue

	\$	\$	\$	\$	\$	\$	\$
Contributions from Alberta Health	7,931	4,838	365	2,472	912	627	59,484
Client Fees and charges	973	72	—	32	16	—	7,633
Other	101	58	9	54	13	5	1,643
Total Revenue (F)	9,005	4,968	374	2,558	941	632	68,760

Expenditures

Salaries and benefits	7,302	4,497	334	2,338	720	128	55,210
Drugs and medical supplies	338	—	—	—	10	—	2,204
Physical plant supplies, maintenance, rent	355	191	10	40	88	2	3,565
Other	1,318	794	57	561	184	502	14,501
Total Expenditure (G)	9,313	5,482	401	2,939	1,002	632	75,480

	\$	\$	\$	\$	\$	\$	\$
Surplus/(Deficit)	(308)	(514)	(27)	(381)	(61)	—	(6,720)

See accompanying notes.

EAST CENTRAL REGIONAL HEALTH AUTHORITY
NOTES TO THE 1994/95 FINANCIAL STATEMENT SUMMARY
(Unaudited)
(thousands of dollars)

- (A) This summary includes all entities which the Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
- (B) Relates to the audited financial statements covering the Regional Health Authority central administrative function.
- (C) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related column making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
- (D) Money provided by the central administration division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated because they are not of material amount.
- (E) 1994/95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the Regional Health Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Regional Health Authority, the Total Revenue and Total Expenditure would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per (F) above	\$ 68,762
Adjustment for funding - voluntary facilities*	30,814
- private facilities	1,563
- community agencies	724
Adjustment for client fees and charges	3,303
Total Revenue restated	<u>\$105,166</u>
 Total Expenditure per (G) above	 \$ 75,481
Adjustment for funding - voluntary facilities*	30,814
- private facilities	1,563
- community agencies	724
Adjustment for client fees and charges	3,303
Total Expenditures restated	<u>\$111,885</u>

* Includes Lloydminster General Hospital \$3,745,728.

HEADWATERS HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

BALANCE SHEET**ASSETS****Current Assets**

	RHA Central Admin. (2)	Canmore General/ Auxiliary Hospital	Claresholm General Hospital	High River General/ Auxiliary Hospital	Little Bow Auxiliary Hospital	Oilfields General Hospital	Vulcan General Hospital
Cash	\$ 673,995	\$ 78,412	\$ 680,510	\$ 417,287	\$ 121,817	\$ 339,337	\$ 175,273
Short term investments	—	—	165,608	—	173,673	2,075,000	—
Accounts receivable	1,321	107,991	247,451	209,352	27,657	220,022	87,569
Inventories	—	150,430	86,200	220,829	8,167	93,063	82,453
Prepaid expenses	—	15,163	—	68,131	—	6,514	—
Total current assets	675,316	351,996	1,179,769	915,599	331,314	2,733,936	345,295
Portfolio Investments	—	—	—	—	—	10	—
Capital Assets	—	7,420,530	2,612,172	6,633,634	883,399	11,403,874	3,876,785
Funds Held in Trust	—	24,838	—	17,612	1,619	—	—
Deferred Charges	—	47,906	—	—	—	—	—
Total Assets	\$ 675,316	\$ 7,845,270	\$ 3,791,941	\$ 7,566,845	\$ 1,216,332	\$14,137,820	\$ 4,222,080

LIABILITIES AND EQUITY**Current Liabilities**

Bank indebtedness	\$ —	\$ 405,000	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable	136,668	142,397	121,211	225,108	194,681	84,405	147,127
Accrued employee benefits	—	351,300	156,023	858,553	5,558	155,714	102,892
Deferred revenue	—	12,165	455,583	45,335	—	26,414	—
Current portion long term debt	—	112,666	—	—	—	2,215,151	—
Total current liabilities	136,668	1,023,528	732,817	1,128,996	200,239	2,481,684	250,019
Long Term Debt	—	1,229,016	—	—	—	—	—
Trust Liabilities	—	24,838	—	17,612	1,619	—	—
Unfunded Pension Liability	—	—	164,848	591,844	66,658	158,475	115,218
Total Liabilities	136,668	2,277,382	897,665	1,738,452	268,516	2,640,159	365,237
Operating Fund Balance	538,648	(691,378)	(65,750)	(347,093)	64,417	(66,323)	(277,284)
Restricted Fund Balances	—	132,513	347,854	(458,148)	—	160,110	257,342
Equity in Capital Assets	—	6,126,753	2,612,172	6,633,634	883,399	11,403,874	3,876,785
Total Equity	538,648	5,567,888	2,894,276	5,828,393	947,816	11,497,661	3,856,843
Total Liabilities & Equity	\$ 675,316	\$ 7,845,270	\$ 3,791,941	\$ 7,566,845	\$ 1,216,332	\$14,137,820	\$ 4,222,080

**STATEMENT OF
REVENUE & EXPENDITURE****Revenue**

Contributions from Alberta Health	\$ 1,139,469	\$ 3,667,242	\$ 2,511,780	\$ 8,922,951	\$ 838,655	\$ 3,731,656	\$ 2,144,343
Client fees and charges	—	504,910	49,436	964,711	192,357	340,316	41,322
Other	90,000	314,111	206,934	556,962	38,474	112,049	255,478
Total Revenue (6)	1,229,469	4,486,263	2,768,150	10,444,624	1,069,486	4,184,021	2,441,143

Expenditure

Salaries and benefits	243,988	3,418,620	1,854,805	7,548,971	878,374	2,831,017	1,602,179
Drugs and medical expenses	—	220,792	99,547	446,584	48,076	123,770	101,073
Physical plant supplies	—	184,934	141,827	362,575	31,347	71,268	141,703
maintenance and rent	—	—	—	—	—	—	—
Other	446,833	1,615,649	679,384	2,408,504	256,438	1,824,129	971,221
Total Expenditure (7)	690,821	5,439,995	2,775,563	10,766,634	1,214,235	4,850,184	2,816,176

Surplus/Deficit	538,648	(953,732)	(7,413)	(322,010)	(144,749)	(666,163)	(375,033)
Surplus/Deficit, beginning of year	—	6,521,620	2,901,689	6,150,403	1,092,565	12,163,824	4,231,876
Surplus/Deficit, end of year	\$ 538,648	\$ 5,567,888	\$ 2,894,276	\$ 5,828,393	\$ 947,816	\$11,497,661	\$ 3,856,843

See accompanying notes.

BOARD-GOVERNED INSTITUTIONS

HEADWATERS HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Willow Creek Auxiliary Hospital	Banff National Park Health Unit	Foothills Health Unit	Chinook Partial Health Unit	Mount View Partial Health Unit	Total (3)(4)(5)
BALANCE SHEET (continued)						
ASSETS						
Current Assets						
Cash	\$ 924	\$ 31,885	\$ 49,669	\$ 32,690	\$ 43,660	\$ 2,645,459
Short term investments	871,200	—	127,000	—	—	3,412,481
Accounts receivable	2,929	1,532	10,344	3,070	—	919,238
Inventories	28,046	—	—	—	—	669,188
Prepaid expenses	—	1,882	5,259	1,344	—	98,293
Total current assets	903,099	35,299	192,272	37,104	43,660	7,744,659
Portfolio Investments	—	—	—	—	—	10
Capital Assets	8,767,980	1,674,128	556,853	316,828	6,197	44,152,380
Funds Held in Trust	7,956	—	—	—	—	52,025
Deferred Charges	—	—	—	—	—	47,906
Total Assets	\$ 9,679,035	\$ 1,709,427	\$ 749,125	\$ 353,932	\$ 49,857	\$51,996,980

LIABILITIES AND EQUITY						
Current Liabilities						
Bank indebtedness	\$ —	\$ 133,332	\$ —	\$ —	\$ —	\$ 538,332
Accounts payable	231,035	15,533	44,833	21,975	1,030	1,366,003
Accrued employee benefits	175,605	123,113	211,078	—	11,213	2,151,049
Deferred revenue	—	—	21,144	—	—	560,641
Current portion long term debt	—	—	39,374	—	—	2,367,191
Total current liabilities	406,640	271,978	316,429	21,975	12,243	6,983,216
Long Term Debt	—	—	78,377	—	—	1,307,393
Trust Liabilities	7,956	—	—	—	—	52,025
Unfunded Pension Liability	267,362	32,711	137,157	27,347	30,294	1,591,914
Total Liabilities	681,958	304,689	531,963	49,322	42,537	9,934,548
Operating Fund Balance	(146,249)	(359,371)	(221,940)	(12,464)	1,123	(1,583,664)
Restricted Fund Balances	375,346	—	—	246	—	815,263
Equity in Capital Assets	8,767,980	1,764,109	439,102	316,828	6,197	42,830,833
Total Equity	8,997,077	1,404,738	217,162	304,610	7,320	42,062,432
Total Liabilities & Equity	\$ 9,679,035	\$ 1,709,427	\$ 749,125	\$ 353,932	\$ 49,857	\$51,996,980

STATEMENT OF REVENUE
& EXPENDITURE (continued)

Revenue						
Contributions from Alberta Health	\$ 3,242,953	\$ 634,113	\$ 3,401,538	\$ 493,077	\$ 291,216	\$31,018,993
Client fees and charges	988,098	21,253	39,830	3,815	—	3,146,048
Other	125,604	7,520	34,519	14,271	7,212	1,763,134
Total Revenue (6)	4,356,655	662,886	3,475,887	511,163	298,428	35,928,175
Expenditure						
Salaries and benefits	3,586,324	439,900	2,958,145	448,370	222,663	26,033,356
Drugs and medical expenses	126,749	25,917	—	—	—	1,192,508
Physical plant supplies	207,572	20,925	409,746	—	—	1,571,897
maintenance and rent	923,667	174,840	419,051	76,086	67,568	9,863,370
Other	—	—	—	—	—	—
Total Expenditure (7)	4,844,312	661,582	3,786,942	524,456	290,231	38,661,131
Surplus/Deficit	(487,657)	1,304	(311,055)	(13,293)	8,197	(2,732,956)
Surplus/Deficit, beginning of year	9,484,734	1,403,434	528,217	317,657	(877)	44,795,142
Surplus/Deficit, end of year	\$ 8,997,077	\$ 1,404,738	\$ 217,162	\$ 304,364	\$ 7,320	\$42,062,186

See accompanying notes.

HEADWATERS HEALTH AUTHORITY
NOTES TO 1994/95 FINANCIAL STATEMENT SUMMARY
(Unaudited)

- (1) This summary includes all entities which the Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities.
- (2) Relates to the audited financial statement covering the Regional Health Authority Central Administrative Division.
- (3) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the Health Unit of which the partial columns represent a segment.
- (4) Money provided by the Central Administration division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated because they are not of material amount.
- (5) 1994/95 funding for community agencies and voluntary and private facilities with the region was provided directly to those entities by Alberta Health and therefore are not included in the combined total. In 1995/96 the Regional Health Authority will fund these entities directly. Had 1995/96 funding to these external entities been routed through the Regional Health Authority, the Total Revenue and Total Expenditures would have been restated for grants and client fees and funding of these organizations as follows:

Total Revenue per Consolidated (6)	\$35,928,175
Grant and Client Fees	<u>7,680,363</u>
Total Revenue Restated	<u><u>\$43,608,538</u></u>
 Total Expenditure per Consolidated (7)	 \$38,661,131
Adjustment for Funding - Voluntary Facilities	5,943,502
- Private Facilities	<u>1,736,861</u>
Total Expenditure Restated	<u><u>\$46,341,494</u></u>

BOARD-GOVERNED INSTITUTIONS

KEEWEETINOK LAKES REGIONAL HEALTH AUTHORITY #15
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)
(thousands of dollars)

	RHA Central Administration (2)	Slave Lake General Hospital	Wabasca/ Desmarais General Hospital	High Prairie Regional Health Complex	J.B. Wood Extended Care Unit	Partial Athabasca Health Unit	Partial Peace River Health Unit	Total (3)(4)
BALANCE SHEET								
ASSETS								
Current assets								
Cash & short term investments	\$420	\$1,206	\$ 56	\$2,713	\$ 1	\$ 175	\$ 63	\$ 4,634
Accounts receivable	—	139	14	163	849	5	13	1,183
Inventories	—	81	46	184	—	—	—	311
Prepaid expenses	3	14	—	9	2	29	4	61
Total current assets	423	1,440	116	3,069	852	209	80	6,189
Portfolio Investments	—	—	—	—	—	—	—	—
Capital Assets	70	4,573	5,628	5,684	394	185	47	16,581
Funds held in Trust	—	—	—	—	—	—	—	—
Total Assets	\$493	\$6,013	\$5,744	\$8,753	\$1,246	\$ 394	\$ 127	\$22,770
LIABILITIES & EQUITY								
Current Liabilities								
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable	56	48	26	1,177	946	96	9	2,358
Accrued employee benefits	—	213	68	400	—	38	98	817
Deferred revenue	246	355	5	839	39	1	9	1,494
Total current liabilities	302	616	99	2,416	985	135	116	4,669
Long Term Debt	—	45	—	—	—	—	—	45
Unfunded Pension Liability	—	187	71	366	82	39	49	794
Operating Fund Balances	121	(11)	(101)	294	(207)	35	(85)	46
Discretionary Equity	—	542	55	819	—	—	—	1,416
Equity in Capital Assets	70	4,634	5,620	4,858	386	185	47	15,800
Total Liabilities & Equity	\$493	\$6,013	\$5,744	\$8,753	\$1,246	\$ 394	\$ 127	\$22,770
STATEMENT OF REVENUE & EXPENDITURE								
Revenue								
Grants from Alberta Health	\$399	\$3,470	\$1,411	\$6,010	\$ 892	\$1,478	\$ 922	\$14,582
Client fees & charges	—	148	11	121	852	—	—	1,132
Other	198	111	114	942	36	32	40	1,473
Total Revenue	597	3,729	1,536	7,073	1,780	1,510	962	17,187
Expenditure								
Salaries & benefits	132	2,614	1,073	4,408	1,583	1,179	753	11,742
Drugs & medical supplies	—	269	122	354	48	—	—	793
Physical plant supplies, maintenance & rent	—	792	531	1,335	119	349	269	3,395
Other	344	94	18	415	53	58	28	1,010
Total Expenditure	476	3,769	1,744	6,512	1,803	1,586	1,050	16,940
Surplus/(Deficit)	\$121	\$ (40)	\$ (208)	\$ 561	\$ (23)	\$ (76)	\$ (88)	\$ 247

NOTES

- (1) This summary includes all entities which the Regional Health Authority took control over the 1994/95 fiscal year.
- (2) Relates to the audited financial statements covering the Regional Health Authority central administration function.
- (3) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
- (4) In preparing the combined total, transactions between the divisions have not been eliminated.

LAKELAND REGIONAL HEALTH AUTHORITY
1994-95 FINANCIAL STATEMENT SUMMARY
(Unaudited)

BALANCE SHEET**ASSETS****Current Assets**

	RHA Central Administration	Fort Saskatchewan Hospital	Redwater Hospital	Two Hills Health Care Centre	Mymam Hospital	Vilna Hospital	St. Therese Hospital	George McDougall Hospital
Cash	\$2,288,937	\$ 597	\$ 230	\$ 1,590,185	\$ 429,138	\$ 438,815	\$ 72,772	\$ —
Short term investments	—	—	—	252,881	—	—	—	47,967
Accounts receivable	3,956	43,050	12,187	20,459	5,050	28,091	242,323	26,729
Inventories	—	119,524	54,052	53,725	9,669	42,699	154,272	102,563
Prepaid expenses	252	9,969	4,484	3,120	—	1,839	51,851	11,165
Due from other funds	—	—	—	—	—	—	—	—
Other current assets	—	1,059	975	13,153	—	—	—	—
Due from LRHA	—	48,936	102,990	11,811	249,958	128,969	65,187	130,492
Total current assets	2,293,145	223,135	174,918	1,945,334	693,815	640,413	586,405	318,916
Portfolio Investments	—	11,207	—	—	—	—	—	110
Other Non-Current Assets	—	—	—	360	—	—	—	—
Total Non-Current Assets - Operating	—	—	70	—	—	—	—	1,334
Capital Assets	39,210	2,908,159	975,139	9,823,223	1,164,618	1,146,236	13,821,209	4,784,577
Special Purpose Fund Assets	—	—	—	—	—	—	—	—
Total Assets	\$2,332,355	\$3,142,501	\$1,150,127	\$11,768,917	\$1,858,433	\$1,786,649	\$14,407,614	\$5,104,937

LIABILITIES AND EQUITY**Current Liabilities**

Bank indebtedness	\$ —	\$ 403,937	\$ 164,455	\$ —	\$ —	\$ —	\$ —	\$ 457,812
Accounts payable	69,866	47,396	147,758	175,678	81,250	100,301	372,199	75,447
Accrued employee benefits	1,804	282,809	103,651	209,271	7,293	45,011	367,657	201,246
Deferred revenues	829,380	—	—	9,195	—	—	19,002	38,073
Other current operating liabilities	940,603	12,085	—	2,505	—	—	—	3,044
Severance	—	—	223,957	206,700	246,216	125,880	103,100	123,320
Total Current Liabilities	1,841,653	746,227	639,821	603,349	334,759	271,192	861,958	898,942
Long Term Debt (Operating)	—	254,141	120,000	264,731	47,321	79,230	473,300	281,124
Capital Liabilities	—	86,502	—	—	—	92,940	—	117,538
Special Purpose Fund Liabilities	—	11,381	—	—	—	—	—	1,334
Operating Fund Balance	451,492	(777,408)	(584,833)	1,077,614	311,735	197,051	(748,853)	(857,996)
Equity in Capital Assets	39,210	2,821,658	975,139	9,823,223	1,164,618	1,146,236	13,821,209	4,663,995
Special Purpose Fund Surplus	—	—	—	—	—	—	—	—
Total Liabilities & Equity	\$2,332,355	\$3,142,501	\$1,150,127	\$11,768,917	\$1,858,433	\$1,786,649	\$14,407,614	\$5,104,937

STATEMENT OF REVENUE AND EXPENDITURE**Revenue**

Contributions from Alberta	\$1,946,309	\$4,196,573	\$2,220,336	\$ 4,816,852	\$1,154,242	\$1,382,737	\$ 7,384,833	\$3,808,361
Client fees and charges	—	344,325	48,444	614,515	79,630	23,738	597,756	537,510
Other revenue	5,489	119,823	88,582	348,809	3,700	125,587	139,883	71,376
LRHA	—	48,936	102,990	11,811	249,958	128,969	65,187	130,492
Total Revenue	1,951,798	4,709,657	2,460,352	5,791,987	1,487,530	1,661,031	8,187,659	4,547,739
Expenditure								
Salaries and benefits	175,957	3,262,972	1,637,633	3,832,448	904,935	983,831	6,534,283	3,543,125
Drugs and medical supplies	—	437,916	118,139	177,541	26,728	29,474	370,783	191,618
Maintenance and rent	—	39,275	144,724	258,583	48,815	84,073	269,461	183,320
Other	491,920	974,857	517,817	756,388	185,610	350,599	1,307,658	544,260
Facilities and severance	792,233	—	223,957	206,700	246,216	125,880	103,100	193,011
Total Expenditure	1,460,110	4,715,020	2,642,270	5,231,660	1,412,304	1,573,857	8,585,285	4,655,334
Surplus/Deficit before Amortization	491,688	(5,363)	(181,918)	560,327	75,226	87,174	(397,626)	(107,595)
Amortization	(1,012)	(411,208)	(99,063)	(446,402)	(72,931)	(140,759)	(559,327)	(522,352)
Surplus/(Deficit)	\$ 490,676	\$ (416,571)	\$ (280,981)	\$ 113,925	\$ 2,295	\$ (53,585)	\$ (956,953)	\$ (629,947)

See accompanying notes.

LAKELAND REGIONAL HEALTH AUTHORITY
1994-95 FINANCIAL STATEMENT SUMMARY
(Unaudited)

	Cold Lake Hospital	Elk Point Hospital	Glendon Hospital	William J. Cadzow Hospital	Radway Health Centre	Strathcona Care Centre	Vegreville Long Term Care	Vegreville Single Point of Entry
BALANCE SHEET (continued)								
ASSETS								
Current Assets								
Cash	\$ 720,623	\$ 26,041	\$ 40,681	\$ 544,707	\$ 37,609	\$ 1,384,241	\$ 433,518	\$ 99,417
Short term investments	—	85,300	180,724	1,082,978	155,681	—	2,050	2,240
Accounts receivable	208,259	38,891	20,560	103,275	9,297	33,095	29,530	633
Inventories	154,328	81,573	34,062	136,464	31,198	65,266	35,492	—
Prepaid expenses	19,456	—	4,811	16,004	—	679	2,800	—
Due from other funds	—	—	—	—	—	700,444	—	—
Other current assets	—	—	—	—	—	—	—	—
Due from LRHA	73,771	6,465	1,872	14,545	2,180	—	4,643	—
Total Current Assets	1,176,437	238,270	282,710	1,897,973	235,965	2,183,725	508,033	102,290
Portfolio Investments	—	—	—	—	—	—	—	—
Other Non-Current Assets	—	—	—	—	—	—	6,056	—
Total Non-Current Assets - Operating	—	—	—	—	—	—	—	—
Capital Assets	19,544,935	9,272,996	881,015	10,666,361	953,957	10,584,735	2,114,347	7,902
Special Purpose Fund Assets	—	—	—	—	—	2,134	—	—
Total Assets	\$20,721,372	\$9,511,266	\$1,163,725	\$12,564,334	\$1,189,922	\$12,770,594	\$2,628,436	\$110,192

LIABILITIES AND EQUITY								
Current Liabilities								
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable	109,084	273,591	7,097	45,378	28,700	247,196	64,960	1,287
Accrued employee benefits	504,098	97,211	47,245	556,070	219,394	—	156,006	—
Deferred revenues	153,462	104,509	—	41,802	5,870	—	27,908	101,003
Other current operating liabilities	—	3,280	—	—	—	1,003,189	94,872	—
Severance	148,424	216,616	257,979	136,160	—	—	258,497	—
Total Current Liabilities	915,068	695,207	312,321	779,410	253,964	1,250,385	602,243	102,290
Long Term Debt (Operating)	427,666	243,390	61,113	409,616	98,966	4,109	159,860	—
Capital Liabilities	—	—	—	—	—	258,000	21,211	—
Special Purpose Fund Liabilities	5,456	—	—	—	—	2,134	6,056	—
Operating Fund Balance	(171,753)	(296,770)	(90,724)	712,881	(130,735)	355,890	(275,281)	—
Equity in Capital Assets	19,544,935	8,869,439	881,015	10,662,427	967,727	10,900,076	2,114,347	7,902
Special Purpose Fund Surplus	—	—	—	—	—	—	—	—
Total Liabilities & Equity	\$20,721,372	\$9,511,266	\$1,163,725	\$12,564,334	\$1,189,922	\$12,770,594	\$2,628,436	\$110,192

**STATEMENT OF REVENUE
AND EXPENDITURE (continued)**

Revenue								
Contributions from Alberta	\$ 6,438,227	\$3,194,392	\$1,069,210	\$ 7,165,006	\$1,382,017	\$ 940,340	\$2,536,207	\$ —
Client fees and charges	990,311	285,154	8,598	514,425	212,981	260,012	861,232	—
Other revenue	218,437	882,229	79,024	467,750	59,041	2,577,865	367,386	—
LRHA	102,325	6,465	1,872	14,545	2,180	—	4,643	—
Total Revenue	7,749,300	4,368,240	1,158,704	8,161,726	1,656,219	3,778,217	3,769,468	—
Expenditure								
Salaries and benefits	5,751,575	2,814,250	855,682	5,430,397	1,349,782	646,622	2,784,281	—
Drugs and medical supplies	249,942	107,616	40,988	313,368	50,128	84,114	81,195	—
Maintenance and rent	480,420	269,658	46,303	393,661	44,033	—	60,938	—
Other	915,057	590,113	162,819	1,245,154	160,305	799,530	519,415	—
Facilities and severance	148,424	216,616	257,979	136,160	107,906	—	258,497	—
Total Expenditure	7,545,418	3,998,253	1,363,771	7,518,740	1,712,154	1,530,266	3,704,326	—
Surplus/Deficit before Amortization	203,882	369,987	(205,067)	642,986	(55,935)	2,247,951	65,142	—
Amortization	(1,306,215)	(582,675)	(128,664)	(943,128)	(65,594)	(120,465)	(95,699)	—
Surplus/(Deficit)	\$ (1,102,333)	\$ (212,688)	\$ (333,731)	\$ (300,142)	\$ (121,529)	\$ 2,127,486	\$ (30,557)	\$ —

See accompanying notes.

LAKELAND REGIONAL HEALTH AUTHORITY
1994-95 FINANCIAL STATEMENT SUMMARY
(Unaudited)

	North Eastern Alberta Health Unit	Leduc-Strathcona Health Unit (partial)	Vegreville Health Unit (partial)	Sturgeon Heath Unit (partial)	Athabasca Health Unit (partial)	Minburn-Vermilion Health Unit (partial)	Total
BALANCE SHEET (continued)							
ASSETS							
Current Assets							
Cash	\$ 169,581	\$ 170,958	\$ 29,284	\$ 42,414	\$ 11,062	\$ 8,289	\$ 8,539,099
Short term investments	260,643	—	—	—	140,452	—	2,210,916
Accounts receivable	77,026	60,777	7,925	3,629	3,459	303	978,504
Inventories	—	—	—	—	—	—	1,074,887
Prepaid expenses	—	3,407	1,255	—	9,730	1,041	141,863
Due from other funds	—	—	—	—	—	—	700,444
Other current assets	—	—	—	—	—	—	15,187
Due from LRHA	—	—	—	—	—	—	841,819
Total Current Assets	507,250	235,142	38,464	46,043	164,703	9,633	14,502,719
Portfolio Investments	—	—	—	—	—	—	11,317
Other Non-Current Assets	—	2,353	—	—	—	—	8,769
Total Non-Current Assets - Operating	—	—	—	—	—	—	1,404
Capital Assets	1,110,905	7,371	1,384,029	14,640	19,818	—	91,225,382
Special Purpose Fund Assets	—	—	—	—	—	—	2,134
Total Assets	\$1,618,155	\$ 244,866	\$1,422,493	\$ 60,683	\$ 184,521	\$ 9,633	\$105,751,725
LIABILITIES AND EQUITY							
Current Liabilities							
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,026,204
Accounts payable	44,138	75,701	6,051	17,493	71,622	498	2,062,691
Accrued employee benefits	171,211	235,152	86,548	14,622	32,048	2,100	3,340,447
Deferred revenues	62,344	—	—	—	—	243	1,392,791
Other current operating liabilities	27,754	—	15,916	918	—	3,873	2,108,039
Severance	—	—	—	—	—	—	2,046,849
Total Current Liabilities	305,447	310,853	108,515	33,033	103,670	6,714	11,977,021
Long Term Debt (Operating)	190,625	298,245	173,803	15,851	40,623	3,453	3,647,167
Capital Liabilities	—	—	1,332,083	—	—	—	1,908,274
Special Purpose Fund Liabilities	—	—	—	—	10,000	—	36,361
Operating Fund Balance	11,178	(371,603)	(227,938)	(2,841)	10,410	(534)	267,679
Equity in Capital Assets	1,110,905	7,371	36,030	14,640	19,818	—	87,915,223
Special Purpose Fund Surplus	—	—	—	—	—	—	—
Total Liabilities & Equity	\$1,618,155	\$ 244,866	\$1,422,493	\$ 60,683	\$ 184,521	\$ 9,633	\$105,751,725
STATEMENT OF REVENUE AND EXPENDITURE (continued)							
Revenue							
Contributions from Alberta	\$3,378,027	\$3,585,769	\$2,568,529	\$814,444	\$1,098,585	\$ 68,606	\$ 61,149,602
Client fees and charges	280,263	249,269	—	9,819	99,605	—	6,017,587
Other revenue	158,181	131,601	79,910	14,566	35,957	2,389	5,977,585
LRHA	—	—	—	—	—	—	870,373
Total Revenue	3,816,471	3,966,639	2,648,439	838,829	1,234,147	70,995	74,015,147
Expenditure							
Salaries and benefits	3,063,722	2,676,620	1,832,135	657,766	963,512	57,715	49,759,243
Drugs and medical supplies	—	—	29,515	—	—	—	2,309,065
Maintenance and rent	252,649	290,362	246,515	53,330	—	1,119	3,167,239
Other	506,959	968,399	520,600	154,140	304,794	22,741	11,999,135
Facilities and severance	—	—	192,915	—	—	—	3,209,594
Total Expenditure	3,823,330	3,935,381	2,821,680	865,236	1,268,306	81,575	70,444,276
Surplus/Deficit before Amortization	(6,859)	31,258	(173,241)	(26,407)	(34,159)	(10,580)	3,570,871
Amortization	(38,223)	(11,096)	(69,739)	(10,386)	(28,761)	—	(5,653,699)
Surplus/(Deficit)	\$ (45,082)	\$ 20,162	\$ (242,980)	\$ (36,793)	\$ (62,920)	\$ (10,580)	\$ (2,082,828)

See accompanying notes.

LAKELAND REGIONAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority Purpose and Operation

The Lakeland Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994. The authority is a registered charity under the Income Tax Act and is therefore exempt from payment of income tax.

The authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The authority assumed the assets, liabilities, surplus and operations of the following entities on March 31, 1995 pursuant to Orders-in-Council or Ministerial Orders issued under the Regional Health Authorities Act:

Entity

Cold Lake Regional Hospital
 Elk Point Municipal Hospital
 Fort Saskatchewan General Hospital
 George McDougall Memorial Hospital (Smoky Lake)
 Glendon Municipal Hospital
 Myrnam Municipal Hospital
 Our Lady's Hospital (Vilna)
 Radway Health Care Centre
 Redwater General Hospital
 St. Therese Hospital (St. Paul)
 Strathcona Care Centre
 Two Hills Health Care Centre
 Vegreville Long Term Care Centre
 William J. Cadzow Hospital (Lac La Biche)

Effective March 31, 1995, pursuant to Order in Council No. 290/95, the board of the Leduc-Strathcona Health Unit was disestablished. As such, all assets, liabilities and deficit of the Leduc-Strathcona Health Unit were transferred to the WestView, Crossroads and Lakeland Regional Health Authorities in accordance with guidelines prescribed by the Minister of Health and the Order in Council.

Effective March 31, 1995, pursuant to Order in Council No. 297/95, the board of the Vegreville Health Unit was disestablished. As such, all assets, liabilities and deficit of the Vegreville Health Unit were transferred to the East Central and the Lakeland Regional Health Authorities in accordance with guidelines prescribed by the Minister of Health and the Order in Council.

Effective March 31, 1995, pursuant to Order in Council No. 296/95, the board of the Sturgeon Health Unit was disestablished. As such, all assets, liabilities and deficit of the Vegreville Health Unit were transferred to the Capital, Aspen and the Lakeland Regional Health Authorities in accordance with guidelines prescribed by the Minister of Health and the Order in Council.

Effective March 31, 1995, pursuant to Order in Council No. 293/95, the board of the North Eastern Alberta Health Unit was disestablished. As such, all assets, liabilities and deficit of the North Eastern Alberta Health Unit were transferred to the Lakeland Regional Health Authority in accordance with guidelines prescribed by the Minister of Health and the Order in Council.

Effective March 31, 1995, pursuant to Order in Council No. 287/95, the board of Athabasca Health Unit was disestablished. As such, all assets, liabilities and deficit of the Athabasca Health Unit were transferred to the Lakeland and Aspen Regional Health Authorities in accordance with guidelines prescribed by the Minister of Health and the Order in Council.

Effective March 31, 1995, pursuant to Order in Council No. 291/95, the board of Minburn-Vermilion Health Unit was disestablished. As such all assets liabilities and deficit of the Minburn-Vermilion Health Unit were transferred to the Lakeland and East Central Regional Health Authorities in accordance with guidelines prescribed by the Minister of Health and the Order in Council.

Note 2 Basis of Presentation

These financial statements are prepared on a non-consolidated basis, and reflect the assets, liabilities, surplus and operations of the Authority. The assets, liabilities, surplus and operations of the entities listed in Note 1 have been presented in separate audited financial statements.

Note 3 Significant Accounting Policies and Reporting Practices

(a) Revenue and Expenditure

Revenue and expenditure are presented by category of funding received from Alberta Health for the following purposes:

(i) Regional Health Authority Establishment

Establishment revenue consists of provincial contributions to enable the Authority to assume responsibility for delivery of health services in the region effective March 31, 1995. Expenditures are for the establishment of the Authority.

(ii) Health services revenue consists of provincial contributions for the operation of health programs approved by the Minister of Health. Expenditures are for the delivery of these programs and consist of contributions made to the Authority's other "Divisions" which are outside the Authority's "Central Administration Division" for this purpose.

(b) The pension obligation represents the Authority's portion of the unfunded pension liability of the Public Service Pension Plan and Local Authorities Pension Plan, incurred on behalf of the Authority's employees.

The cost of obligations earned by employees during the year and interest on the portion of unfunded liabilities, which the Authority is now required to fund, are recorded as expenditure for the year. The cost is comprised of a cash amount and a non-cash amount. Both amounts are included as part of other expenses of Authority Establishment expenditure.

Note 4 Pension Costs and Obligations

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and/or Public Service Pension Plan that are defined pension plans. The plans provide pensions for the Authority's employees based on the length of service and earnings. Under the Public Sector Pension Plans Act, passed in May 1993, the Government, employers and employees accepted responsibility to pay the unfunded obligation.

The Authority's share of the unfunded past service obligation is based on a percentage of pensionable payroll. The unfunded past service liability of the plans is extrapolated from an actuarial evaluation performed December 31, 1993 for Local Authorities Pension Plan and December 31, 1994 for Public Service Pension Plan. The obligation is to be fully funded by December 31, 2043. The unfunded liability is represented as follows:

	<u>1995</u>
Public Service Pension Plan	
The total unfunded pension liability is	\$ 722,600
Local Authorities Pension Plan	
The total unfunded pension liability is	2,924,567
Total Unfunded Pension Liability	
The pension expense for the year was	<u>\$3,647,167</u>

Note 5 Financial Statement Summary and Notes to Schedules

- (a) The Financial Statement Summary includes all entities which the Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
- (b) Separate audited financial statements covering the Regional Health Authority central administrative function have been prepared.
- (c) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.

- (d) 1994/95 funding for community agencies and voluntary and private facilities within the Region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the Regional Health Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Regional Health Authority, the Total Revenue and Total Expenditures would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per Financial Statement Summary	\$ 74,015,147
Alberta Health Funding (Voluntary, Private)	29,328,686
Client Fees and Charges (Voluntary, Private)	4,946,738
Total Revenue Restated	<u>\$108,290,571</u>
Total Expenditure per Financial Statement Summary	\$ 70,444,276
Amortization	5,653,699
Funding Voluntary Facilities	26,650,246
Private Facilities	7,561,549
Community Facilities	63,629
Total Expenditure Restated	<u>\$110,373,399</u>

Note 6 Notes to Appendix 1

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, honoraria and any other remuneration.
- (2) Benefits and allowances includes:

contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition, additional benefits including sabbaticals or other special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, club membership and car allowances.
- (3) Unique circumstances affecting salaries, benefits and allowances are:
 - (a) Chief Executive Officer position was occupied for 9 months
 - (b) Vice President - Finance position was occupied for 5 months
 - (c) Medical Officer of Health position was occupied for 4 months
 - (d) Director of Human Resources position was occupied for 1 month

LAKELAND REGIONAL HEALTH AUTHORITY
1994-95 SALARIES, BENEFITS ALLOWANCES

	<u># of Individuals</u>	<u>Salaries</u>	<u>Benefits & Allowances</u>	<u>Total</u>
RHA Chairman				
Dareld Cholak	1	\$ 43,282	\$ 999	\$ 44,281
RHA Members				
Hazel Anaka	1	15,994	—	15,994
John Antoniuk	1	13,152	41	13,193
Dean Bell	1	16,530	—	16,530
Peter Bidlock	1	15,667	—	15,667
Dave Broda	1	16,154	—	16,154
Marcel Ducharme	1	16,342	—	16,342
Ralph A. Gorrie	1	18,895	433	19,328
Cindy Ladouceur	1	2,281	27	2,308
Janet Meddings	1	14,101	—	14,101
Gerald Olynyk	1	17,773	397	18,170
Edward Stawnichy	1	13,530	227	13,757
John Tesolin	1	18,900	—	18,900
John Trefanenko	1	21,156	—	21,156
Laurie Wohland	1	19,078	439	19,517
Susan Durocher	1	746	—	746
CEO	1	61,512	6,531	68,043
Management reporting to CEO				
VP Finance	1	31,783	3,038	34,821
Director of Human Resources	1	8,152	672	8,824
Medical Officer of Health	1	29,458	2,950	32,408
Other Staff	2	27,765	1,533	29,298
	<u>22</u>	<u>\$422,251</u>	<u>\$17,287</u>	<u>\$439,538</u>

MISTAHIA REGIONAL HEALTH AUTHORITY
1994/1995 FINANCIAL STATEMENT SUMMARY
(Unaudited) (Note 1)

	Mistahia Regional Health Authority Central Administration Division (Note 2)	Grande Prairie General and Auxiliary Hospital and Nursing Home District No. 14	Beaverlodge- Hythe General and Auxiliary Hospital and Nursing Home District No. 32	Spirit River General and Auxiliary Hospital and Nursing Home District No. 60	Grande Cache General and Auxiliary Hospital and Nursing Home District No. 63	Grimshaw/ Berwyn General and Auxiliary Hospital and Nursing Home District No. 50	Fairview General and Auxiliary Hospital and Nursing Home District No. 59
BALANCE SHEET							
ASSETS							
Current Assets							
Cash	\$ 669,472	\$ 93,964	\$ 366,865	\$ 322,756	\$ 283,635	\$ —	\$ 586,980
Short-term investments	756,270	7,250,000	346,873	—	—	140,436	1,610,825
Accounts receivable	339,001	3,847,590	204,188	37,326	65,633	40,732	114,698
Inventory	—	596,268	88,921	52,689	52,594	101,674	117,287
Prepaid expenses	775	294,272	28,208	—	2,815	8,350	13,401
Total current assets	1,765,518	12,082,094	1,035,055	412,771	404,677	291,192	2,443,191
Portfolio Investments	—	—	—	125	190	—	—
Capital Assets	4,369	92,525,570	4,696,764	334,804	1,523,660	6,119,360	9,550,296
Funds Held in Trust	67,457	19,716	—	—	82,734	—	36,949
Total Assets	<u>\$1,837,344</u>	<u>\$104,627,380</u>	<u>\$ 5,731,819</u>	<u>\$ 747,700</u>	<u>\$2,011,261</u>	<u>\$6,410,552</u>	<u>\$12,030,436</u>
LIABILITIES & EQUITY							
Current Liabilities							
Bank indebtedness	\$ —	\$ —	\$ 578,463	\$ —	\$ —	\$ 279,112	\$ —
Accounts payable and accrued liabilities	413,727	4,036,667	273,640	161,059	491,318	150,933	647,952
Accrued employee benefits	—	2,329,843	314,037	—	106,733	—	312,880
Deferred revenue	142,325	235,475	268,449	85,787	8,148	182,689	386,247
Total current liabilities	556,052	6,601,985	1,434,589	246,846	606,199	612,734	1,347,079
Long-term Debt	—	—	—	12,048	—	—	—
Unfunded Pension Liability	3,463	2,464,338	264,372	157,902	97,048	139,125	323,338
Operating Fund Balance	1,206,003	(5,095,656)	(663,906)	(3,900)	(298,380)	(590,090)	772,774
Restricted Fund Balances	—	8,111,427	—	—	—	—	—
Equity in Capital Assets	4,369	92,525,570	4,696,764	334,804	1,523,660	6,248,783	9,550,296
Trust Liabilities	67,457	19,716	—	—	82,734	—	36,949
	<u>\$1,837,344</u>	<u>\$104,627,380</u>	<u>\$ 5,731,819</u>	<u>\$ 747,700</u>	<u>\$2,011,261</u>	<u>\$6,410,552</u>	<u>\$12,030,436</u>
STATEMENT OF REVENUE & EXPENDITURE							
Revenue							
Contributions from Alberta Health	\$1,883,486	\$ 37,430,653	\$ 3,964,884	\$2,374,689	\$1,727,618	\$2,375,307	\$ 6,076,776
Client fees and charges	—	4,785,020	489,995	37,667	118,397	108,369	868,989
Other	16,985	4,701,626	326,346	144,387	31,298	91,513	236,414
Total Revenue (6)	1,900,471	46,917,299	4,781,225	2,556,743	1,877,313	2,575,189	7,182,179
Expenditure							
Salaries & benefits	334,496	31,890,814	3,940,574	1,641,215	1,409,532	1,930,114	4,998,898
Drugs & medical supplies	—	2,736,360	262,074	—	98,452	—	298,065
Physical plant supplies, maintenance and rent	131,596	8,619,047	671,391	—	408,210	765,255	508,303
Other	228,701	8,427,536	927,392	896,518	192,292	263,199	1,753,178
Total Expenditure (7)	694,793	51,673,757	5,801,431	2,537,733	2,108,486	2,958,568	7,558,444
Surplus/(Deficit)	<u>\$1,205,678</u>	<u>\$ (4,756,458)</u>	<u>\$ (1,020,206)</u>	<u>\$ 19,010</u>	<u>\$ (231,173)</u>	<u>\$ (383,379)</u>	<u>\$ (376,265)</u>

See accompanying notes.

MISTAHIA REGIONAL HEALTH AUTHORITY
1994/1995 FINANCIAL STATEMENT SUMMARY (continued)
(Unaudited) (Note 1)

	Valleyview General and Auxiliary Hospital and Nursing Home District No. 96	South Peace Health Unit	Peace River Health Unit	Alberta West Central Health Unit	Stony Plain- Lac Ste Anne Health Unit	Central Peace Residence	Totals (Notes 3, 4 & 5)
BALANCE SHEET							
ASSETS							
Current Assets							
Cash	\$ 1,755,523	\$ 1,250	\$ 93,677	\$ 100	\$ 521	\$ 19,820	\$ 4,194,563
Short-term investments	—	600,000	—	—	812	—	10,705,216
Accounts receivable	210,460	20,742	20,083	4,604	50	4,101	4,909,208
Inventory	86,339	—	—	338	—	—	1,096,110
Prepaid expenses	7,984	34,993	—	—	131	—	390,929
Total current assets	2,060,306	656,985	113,760	5,042	1,514	23,921	21,296,026
Portfolio Investments	—	—	—	—	—	—	315
Capital Assets	15,384,784	544,052	17,146	6,451	—	83,573	130,790,829
Funds Held in Trust	—	—	—	—	—	—	206,856
Total Assets	\$17,445,090	\$1,201,037	\$ 130,906	\$ 11,493	\$ 1,514	\$107,494	\$152,294,026
LIABILITIES & EQUITY							
Current Liabilities							
Bank indebtedness	\$ —	\$ 194,624	\$ —	\$ 396	\$ —	\$ —	\$ 1,052,595
Accounts payable and accrued liabilities	389,328	54,572	13,162	7,176	423	2,277	6,642,234
Accrued employee benefits	—	176,631	155,404	11,902	—	—	3,407,430
Deferred revenue	517,706	—	13,511	—	—	—	1,840,337
Total current liabilities	907,034	425,827	182,077	19,474	423	2,277	12,942,596
Long-term Debt	—	—	—	—	—	—	12,048
Unfunded Pension Liability	139,109	325,120	48,941	6,879	—	—	3,969,635
Operating Fund Balance	589,511	(93,962)	(117,258)	(21,311)	1,091	21,644	(4,293,440)
Restricted Fund Balances	—	—	—	—	—	—	8,111,427
Equity in Capital Assets	15,809,436	544,052	17,146	6,451	—	83,573	131,344,904
Trust Liabilities	—	—	—	—	—	—	206,856
	\$17,445,090	\$1,201,037	\$ 130,906	\$ 11,493	\$ 1,514	\$107,494	\$152,294,026
STATEMENT OF REVENUE & EXPENDITURE							
Revenue							
Contributions from Alberta Health	\$ 3,176,064	\$5,604,014	\$1,382,733	\$221,959	\$19,345	\$ —	\$ 66,237,528
Client fees and charges	358,369	—	—	—	—	—	6,766,806
Other	310,185	245,516	60,082	8,121	458	46,292	6,219,223
Total Revenue (6)	3,844,618	5,849,530	1,442,815	230,080	19,803	46,292	79,223,557
Expenditure							
Salaries & benefits	2,577,757	3,710,575	1,129,633	174,264	15,081	—	53,752,953
Drugs & medical supplies	188,827	133,481	—	2,279	4,615	—	3,724,153
Physical plant supplies, maintenance and rent	185,639	136,048	403,339	6,217	—	—	11,835,045
Other	1,808,730	1,937,949	42,119	67,163	248	46,762	16,591,787
Total Expenditure (7)	4,760,953	5,918,053	1,575,091	249,923	19,944	46,762	85,903,938
Surplus/(Deficit)	\$ (916,335)	\$ (68,523)	\$ (132,276)	\$ (19,843)	\$ (141)	\$ (470)	\$ (6,680,381)

See accompanying notes.

MISTAHIA REGIONAL HEALTH AUTHORITY
NOTES TO 1994/1995 FINANCIAL STATEMENT SUMMARY
(Unaudited)

- (1) This summary includes all entities which the Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
- (2) Relates to the audited financial statements covering the Regional Health Authority central administrative function.
- (3) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
- (4) Money provided by the central administration division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated.
- (5) 1994-95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the Regional Health Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Regional Health Authority, the Total Revenue and Total Expenditure would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per (6)	\$79,223,557
Adjustment for client fees and charges	1,847,523
Total Revenue restated	<u>\$81,071,080</u>
Total Expenditure per (7)	\$85,903,938
Adjustment for funding - private facilities	1,753,576
- community agencies	93,947
Total Expenditure restated	<u>\$87,751,461</u>

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
FINANCIAL STATEMENT SUMMARY
FOR THE YEAR ENDED MARCH 31, 1995

Auditors' Report on Financial Statement Summary

Balance Sheet Summary

Statement of Operations Summary

AUDITORS' REPORT ON FINANCIAL STATEMENT SUMMARY

We have prepared the balance sheet summary as at March 31, 1995 and the statement of operations summary for the year then ended from financial statements audited by us for both entities which Northern Lights Regional Health Authority took control over during the year and the central administration function of the authority.

King & Company
Chartered Accountants

Edmonton, Alberta
June 16, 1995

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
BALANCE SHEET SUMMARY
AS AT MARCH 31, 1995
(Unaudited)

	Central Administration Division	Hospital Division	Health Unit Division	Total
ASSETS				
Current Assets				
Cash	\$263,029	\$ 1,485,432	\$ 97,819	\$ 1,846,280
Temporary investments	—	1,686,854	—	1,686,854
Accounts receivable	4,548	609,658	102,416	716,622
Due from other divisions	—	164,777	—	164,777
Inventories	—	263,378	—	263,378
Prepaid expenses	—	202,863	2,443	205,306
	<u>267,577</u>	<u>4,412,962</u>	<u>202,678</u>	<u>4,883,217</u>
Capital Assets	31,756	28,343,489	34,295	28,409,540
Funds Held in Trust	—	4,644,547	—	4,644,547
	<u>\$299,333</u>	<u>\$37,400,998</u>	<u>\$236,973</u>	<u>\$37,937,304</u>
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 24,959	\$ 2,503,727	\$326,155	\$ 2,854,841
Due to Hospital Division	87,620	—	77,157	164,777
Deferred revenue	50,357	223,386	—	273,743
	<u>162,936</u>	<u>2,727,113</u>	<u>403,312</u>	<u>3,293,361</u>
Unfunded Pension Liability	—	1,150,349	186,823	1,337,172
Trust Fund	—	4,644,547	—	4,644,547
	<u>162,936</u>	<u>8,522,009</u>	<u>590,135</u>	<u>9,275,080</u>
EQUITY (DEFICIENCY)				
Operating fund	104,641	638,592	(387,457)	355,776
Capital asset fund	31,756	28,240,397	34,295	28,306,448
	<u>136,397</u>	<u>28,878,989</u>	<u>(353,162)</u>	<u>28,662,224</u>
	<u>\$299,333</u>	<u>\$37,400,998</u>	<u>\$236,973</u>	<u>\$37,937,304</u>

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS SUMMARY
FOR THE YEAR ENDED MARCH 31, 1995
(Unaudited)

	Central Administration Division	Hospital Division	Health Unit Division	Total
Revenue				
Contributions from Alberta government	\$566,589	\$18,636,077	\$3,024,063	\$22,226,729
Patient charges	—	1,502,537	—	1,502,537
Other	6,309	1,127,616	363,726	1,497,651
	<u>572,898</u>	<u>21,266,230</u>	<u>3,387,789</u>	<u>25,226,917</u>
Expenses				
Compensation and benefits	255,528	15,598,043	2,916,467	18,770,038
Drugs and medical supplies	—	894,564	—	894,564
Physical plant supplies and maintenance	34,074	871,154	93,392	998,620
Amortization of capital assets	7,939	2,241,466	8,722	2,258,127
Other	138,960	2,440,853	623,771	3,203,584
	<u>436,501</u>	<u>22,046,080</u>	<u>3,642,352</u>	<u>26,124,933</u>
Excess (Deficiency) of Revenue over Expenses	<u>\$136,397</u>	<u>\$ (779,850)</u>	<u>\$ (254,563)</u>	<u>\$ (898,016)</u>

NORTHWESTERN REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	RHA Central Administration (2)	High Level General Hospital	St. Theresa General Hospital	La Crete Health Centre	Rainbow Lake Health Centre	Northwestern Health Unit	Mental Health Service	Psychological Health Service	Housing Authority	Combined Total (3)(4)
BALANCE SHEET										
ASSETS										
Current Assets										
Cash	\$ —	\$ 612,790	\$ 547,801	\$ 37,419	\$ 77,380	\$ 458,782	\$ 100	\$ —	\$ 58,620	\$ 1,792,892
Short term investments	—	76,832	186,072	98,028	—	46,772	—	—	107,420	515,124
Accounts receivable	44,982	207,475	240,034	1,366	1,671	211,657	2,382	33,894	41,085	784,546
Inventories	—	72,568	58,153	555	555	35,187	—	—	224	167,242
Prepaid expenses	—	8,593	1,715	307	132	1,619	—	—	53	12,419
Total Current Assets	44,982	978,258	1,033,775	137,675	79,738	754,017	2,482	33,894	207,402	3,272,223
Capital Assets	66,982	1,201,204	5,064,247	1,029,729	772,493	470,758	—	—	1,174,209	9,779,622
Total Assets	\$111,964	\$2,179,462	\$6,098,022	\$1,167,404	\$852,231	\$1,224,775	\$ 2,482	\$ 33,894	\$1,381,611	\$13,051,845
LIABILITIES										
Current Liabilities										
Bank	\$ —	\$ —	\$ 24,193	\$ —	\$ 54,848	\$ —	\$ 35,021	\$ 46,048	\$ —	\$ 160,110
Accounts payable	—	327,668	439,083	182,011	11,709	528,077	15,876	14,634	34,656	1,553,714
Deferred revenue	17,690	806,306	322,020	15,060	15,060	244,892	—	—	6,082	1,427,110
Total Current Liabilities	17,690	1,133,974	785,296	197,071	81,617	772,969	50,897	60,682	40,738	3,140,934
Unfunded Pension	—	165,639	197,521	7,563	—	115,446	—	—	—	486,169
Equity										
Operating fund	27,292	(676,458)	(279,381)	(92,200)	(2,587)	(141,829)	(48,415)	(26,788)	(156,670)	(1,397,036)
Capital fund	66,982	1,322,035	5,131,639	1,038,396	765,710	470,758	—	—	1,174,209	9,969,729
Restricted fund balances	—	234,272	263,047	16,574	7,491	7,431	—	—	323,334	852,149
Total Liabilities/Equity	\$111,964	\$2,179,462	\$6,098,122	\$1,167,404	\$852,231	\$1,224,775	\$ 2,482	\$ 33,894	\$1,381,611	\$13,051,945
STATEMENT OF REVENUE & EXPENDITURE										
Revenue										
Alberta Health	\$432,278	\$2,739,552	\$3,267,204	\$ 125,160	\$ 78,792	\$2,089,963	\$163,806	\$ —	\$ —	\$ 8,896,755
Client fees & charges	—	128,680	117,240	10,356	—	—	—	50,856	—	307,132
Other	30,927	—	—	2,310	6,557	246,182	—	94,795	129,952	510,723
Total Revenues	463,205	2,868,232	3,384,444	137,826	85,349	2,336,145	163,806	145,651	129,952	9,714,610
Expenses										
Salaries & wages	157,454	2,219,835	2,551,474	91,340	53,151	1,616,859	132,822	124,594	—	6,947,529
Supplies & other	278,459	616,999	744,566	52,553	29,237	576,726	41,758	13,383	101,353	2,455,034
Depreciation	—	151,835	347,900	74,630	65,129	—	—	—	103,477	742,971
Total Expenses	435,913	2,988,669	3,643,940	218,523	147,517	2,193,585	174,580	137,977	204,830	10,145,534
Surplus/(Deficit)	\$ 27,292	\$ (120,437)	\$ (259,496)	\$ (80,697)	\$ (62,168)	\$ 142,560	\$ (10,774)	\$ 7,674	\$ (74,878)	\$ (430,924)

NOTES

- (1) This summary includes all entities which the Regional Health Authority took control over the 1994/95 fiscal year.
- (2) Relates to the audited financial statements covering the Regional Health Authority central administration function.
- (3) There is no audit of the Regional Health Authority total. Rather, there are audit reports pertaining to each set of financial statements for the related columns making up the total.
- (4) In preparing the combined total, transactions between the divisions have not been eliminated.

PALLISER HEALTH AUTHORITY
COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Combined Balance Sheet
Combined Statement of Revenue, Expenditure and Accumulated Surplus (Deficit)
Combined Statement of Changes in Capital Asset Fund
Combined Statement of Changes in Financial Position
Notes to the Combined Financial Statements
Schedule 1 - Schedule of Salaries and Benefits of Authority Corporate Office
Schedule 2 - Information on Private and Voluntary Organizations

AUDITOR'S REPORT

To the Members of the Palliser Health Authority

I have audited the combined balance sheet of the Palliser Health Authority as at March 31, 1995 and the combined statements of revenue, expenditure and accumulated surplus (deficit), changes in capital asset fund and changes in financial position for the year then ended. These combined financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these combined financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
July 7, 1995

PALLISER HEALTH AUTHORITY
COMBINED BALANCE SHEET
MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets:		
Cash and short term investments	\$ 3,906,474	\$ 5,948,045
Accounts receivable (note 3)	1,694,847	1,332,446
Inventories	733,022	820,869
Prepaid expenses	<u>556,931</u>	<u>509,518</u>
	6,891,274	8,610,878
Long-term investments (note 4)	18,266,829	17,236,710
Capital assets (note 5)	<u>83,159,289</u>	<u>85,850,938</u>
	<u>\$108,317,392</u>	<u>\$111,698,526</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 8,610,696	\$ 8,876,240
Pension obligation (note 7)	3,909,782	3,785,731
Equity (note 8):		
Operating accumulated deficit	(4,968,959)	(3,629,023)
Discretionary accumulated surplus	12,110,550	11,875,872
Special purposes accumulated surplus	<u>5,496,034</u>	<u>4,938,768</u>
	12,637,625	13,185,617
Capital asset fund	<u>83,159,289</u>	<u>85,850,938</u>
	<u>95,796,914</u>	<u>99,036,555</u>
	<u>\$108,317,392</u>	<u>\$111,698,526</u>

The accompanying notes and schedule are part of these combined financial statements.

PALLISER HEALTH AUTHORITY
COMBINED STATEMENT OF REVENUE, EXPENDITURE
AND ACCUMULATED SURPLUS (DEFICIT)
YEAR ENDED MARCH 31, 1995

	1995				1994
	Operating	Discretionary	Special Purposes	Total	Total
Revenue:					
Provincial grants	\$63,094,104	\$ —	\$ —	\$63,094,104	\$64,654,959
Patient charges	6,441,331	57,611	—	6,498,942	6,693,434
Sales, services and rentals	1,988,310	—	—	1,988,310	2,121,694
Investment income	174,935	1,166,643	483,334	1,824,912	2,024,460
Donations	—	—	403,663	403,663	399,548
Other	37,850	—	347,695	385,545	294,828
	<u>71,736,530</u>	<u>1,224,254</u>	<u>1,234,692</u>	<u>74,195,476</u>	<u>76,188,923</u>
Expenditure:					
Nursing	29,510,208	—	—	29,510,208	31,105,401
Diagnostic and therapeutic	11,502,462	—	—	11,502,462	12,483,465
Support	22,175,095	—	—	22,175,095	23,353,283
Public health	5,649,482	—	—	5,649,482	5,543,329
Severance costs (note 9)	2,109,531	282,472	—	2,392,003	207,326
Other	61,222	218,686	436,941	716,849	386,328
Pension cost (non-cash)	124,051	—	—	124,051	(52,920)
Amortization	5,348,260	—	—	5,348,260	5,265,244
Relating to prior years	345,718	—	—	345,718	(110,781)
	<u>76,826,029</u>	<u>501,158</u>	<u>436,941</u>	<u>77,764,128</u>	<u>78,180,675</u>
Excess (deficiency) of revenue over expenditure	(5,089,499)	723,096	797,751	(3,568,652)	(1,991,752)
Transfers from (to) capital asset fund:					
Amortization	5,348,260	—	—	5,348,260	5,265,244
Capital asset purchases	(1,598,697)	(488,418)	(240,485)	(2,327,600)	(1,247,828)
Changes in fund during the year	(1,339,936)	234,678	557,266	(547,992)	2,025,664
Accumulated surplus (deficit), beginning of year	(3,629,023)	11,875,872	4,938,768	13,185,617	11,159,953
Accumulated surplus (deficit), end of year	<u>\$ (4,968,959)</u>	<u>\$ 12,110,550</u>	<u>\$ 5,496,034</u>	<u>\$ 12,637,625</u>	<u>\$ 13,185,617</u>

PALLISER HEALTH AUTHORITY
COMBINED STATEMENT OF CHANGES IN CAPITAL ASSET FUND
YEAR ENDED MARCH 31, 1995

	1995	1994
Capital asset purchases funded from:		
Provincial capital grants	\$ 328,936	\$ 371,674
Other capital grants	210	20,095
Transfers:		
Operating fund	1,598,697	695,999
Discretionary fund	488,418	380,883
Special purposes fund	240,485	170,946
	<u>2,656,746</u>	<u>1,639,597</u>
Amortization transferred to operating fund	(5,348,260)	(5,265,244)
Other	(135)	(7,914)
Changes in fund during the year	(2,691,649)	(3,633,561)
Balance, beginning of year	85,850,938	89,484,499
Balance, end of year	<u>\$83,159,289</u>	<u>\$85,850,938</u>

PALLISER HEALTH AUTHORITY
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED MARCH 31, 1995

	<u>1995</u>	<u>1994</u>
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenditure	\$ (3,568,652)	\$ (1,991,752)
Items not involving cash:		
Pension cost (non-cash)	124,051	(52,920)
Amortization of capital assets	5,348,260	5,265,244
Change in non-cash working capital	(587,511)	1,874,586
	<u>1,316,148</u>	<u>5,095,158</u>
Financing activities:		
Provincial capital grants	328,936	371,674
Other capital grants	210	20,095
	<u>329,146</u>	<u>391,769</u>
Investing activities:		
Purchase of capital assets	(2,656,746)	(1,639,597)
Purchase of investments	(1,545,179)	(2,269,920)
Redemption of investments	515,060	405,940
	<u>(3,686,865)</u>	<u>(3,503,577)</u>
Increase (decrease) in cash	(2,041,571)	1,983,350
Cash and short term investments, beginning of year	5,948,045	3,964,695
Cash and short term investments, end of year	<u>\$ 3,906,474</u>	<u>\$ 5,948,045</u>

PALLISER HEALTH AUTHORITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Palliser Health Authority (the "Authority") was established on June 24, 1994, under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is a registered charity under the Income Tax Act and is therefore exempt from payment of income tax.

The Authority is responsible for the delivery of health services in southeastern Alberta (the "Region"). This responsibility includes operating programs and performing research to promote, protect and restore the physical and mental well-being of residents of the Region and facilitate reasonable access to health services without financial or other barriers.

The Authority assumed the assets, liabilities and operations of the following entities on March 31, 1995, pursuant to Orders in Council issued under the provisions of the Regional Health Authorities Act.

Bassano General and Auxiliary Hospital and Nursing Home District No. 6,

Big Country Health Unit - assumption of specific assets and liabilities as directed by the Minister of Health and a portion of the operations of the Health Unit,

Bow Island General and Auxiliary Hospital and Nursing Home District No. 72 (including the Alfred Egan Home),

Brooks General and Auxiliary Hospital and Nursing Home District No. 28,

Empress Municipal Hospital District No. 53,

Medicine Hat General and Auxiliary Hospital and Nursing Home District No. 69,

Oyen General and Auxiliary Hospital and Nursing Home District No. 35,

Southeastern Alberta Health Unit.

The financial statements include the assumed assets, liabilities and operations of all of the above entities.

The financial statements do not include the assets, liabilities or operations of the private nursing homes, voluntary and community health care organizations operating within the Region.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles. The following are the significant accounting policies:

(a) Fund Accounting

The accounts of the Authority are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds according to the activity or objective specified. These funds are described as follows:

Operating Fund - accounts for the primary health activities of the Authority.

Discretionary Fund - accounts for certain revenue, including investment income and room differential, to be used at the discretion of the members of the Authority.

Special Purposes Fund - accounts for resources that are to be used for specific purposes. This includes designated and undesignated donations, endowments, parking and Regional Resource Centre building activities.

Capital Asset Fund - accounts for the purchase, disposal and investment in capital assets.

(b) Method of Combination

The financial statements have been prepared in accordance with the pooling of interest method. Under this method, the book values of assets, liabilities and equity of each of the entities being combined are added together to form the combined value of assets, liabilities and equity of the Authority, after making adjustments to put the accounting policies of the merged entities on a common basis.

The revenue and expenditure reported by the Authority includes amounts for the entire fiscal period of each entity as if they had been combined since their inception. The effective date for the combination is March 31, 1995.

(c) Inventories

Inventories are recorded at average cost.

(d) Long-term Investments

Investments are valued at amortized cost. Any discounts or premiums arising on purchase are amortized over the period to maturity. Gains or losses realized on disposal are recognized in the year of disposal. Losses are recognized for any permanent decline in the market value of investments.

(e) Capital Assets

Capital assets are recorded at cost. Purchases of capital assets with unit costs greater than \$1,000 are recorded as additions to capital assets. All other purchases are expensed when incurred.

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful life</u>
Buildings	20-40 years
Land improvements	20 years
Building service equipment	10-20 years
Equipment	5-15 years

Construction in progress - no amortization is provided until the project is complete.

(f) Pension Obligation

Pension obligation includes the portion of the unfunded pension liability of the Local Authorities Pension Plan and the Public Service Pension Plan incurred on behalf of the Authority's employees.

Pension cost is comprised of employer's pension plan contributions made during the year, shown as part of the program expenditure, plus any changes in the unfunded pension plan obligation and its allocation to participants in the pension plans, shown as a separate "pension cost (non-cash)" item.

(g) Revenue Recognition

Operating grants are recognized as revenue in the year for which the funding was provided.

Donations are recognized as revenue when received. Donations of materials and services are recorded at fair value when a fair value can reasonably be determined and when the materials and services would otherwise have been purchased.

Capital grants are recognized as revenue in the year when capital assets are acquired.

Note 3 Accounts Receivable

	1995	1994
Patients	\$ 838,673	\$ 784,458
Other	856,174	547,988
	<u>\$1,694,847</u>	<u>\$1,332,446</u>

Note 4 Long-term Investments

At March 31, 1995, the market value of the investments was \$17,379,000, compared to a book value of \$18,266,829. The difference between market and book values is considered to be temporary and no permanent decline is expected in the market value of the investments.

Note 5 Capital Assets

	1995		1994	
	Cost	Accumulated Amortization	Net book Value	Net book Value
Land	\$ 376,948	\$ —	\$ 376,948	\$ 376,948
Buildings	111,799,715	35,380,664	76,419,051	78,871,648
Land improvements	2,533,036	2,386,658	146,378	143,761
Building service equipment	2,601,126	2,366,701	234,425	282,921
Equipment	26,120,787	20,564,317	5,556,470	5,981,605
Construction in progress	426,017	—	426,017	194,055
	<u>\$143,857,629</u>	<u>\$ 60,698,340</u>	<u>\$ 83,159,289</u>	<u>\$ 85,850,938</u>

Note 6 Accounts Payable and Accrued Liabilities

	1995	1994
Trade payables and accrued liabilities	\$3,450,185	\$3,819,731
Vacation pay	2,816,555	3,338,473
Other payroll related	1,543,956	1,718,036
Severance costs (note 9)	800,000	—
	<u>\$8,610,696</u>	<u>\$8,876,240</u>

Note 7 Pension Obligation

The Authority participates with other employers in defined benefit pension plans, the Local Authorities Pension Plan and the Public Service Pension Plan. The plans provide pensions for the Authority's employees based on length of service and earnings. The Public Sector Pension Plans Act determines the amount of the unfunded pension liabilities which will be funded by employers.

The Authority's unfunded pension liability of \$3,909,782 was determined by Alberta Pension Administration using an actuarial valuation as at December 31, 1993, extrapolated to March 31, 1995, using pensionable salaries. The Authority's portion of the employers' liability was based on the Authority's percentage of the total pensionable payroll of all employers participating in the plans. The liabilities are to be fully funded by December 31, 2036, through increased contributions.

Contributions required to fund both current and past service costs are determined by periodic actuarial valuation.

Note 8 Combined Entities

The fund balances contributed by each entity at March 31, 1995, are as follows:

	Operating Fund	Discretionary Fund	Special Purposes	Capital Asset Fund	Total
Bassano	\$ (187,711)	\$ 73,107	\$ —	\$ 587,072	\$ 472,468
Big Country Health Unit	—	—	—	300,000	300,000
Bow Island	75,845	235,714	12,960	5,610,138	5,934,657
Brooks	(1,061,414)	480,556	70,035	8,753,167	8,242,344
Empress	107,206	211,181	—	886,492	1,204,879
Medicine Hat	(4,979,539)	10,869,819	5,368,291	63,760,829	75,019,400
Oyen	(49,389)	240,173	38,423	3,133,765	3,362,972
Southeastern Alberta Health Unit	(426,017)	—	6,325	127,826	(291,866)
Authority Corporate office	1,552,060	—	—	—	1,552,060
	<u>\$ (4,968,959)</u>	<u>\$12,110,550</u>	<u>\$ 5,496,034</u>	<u>\$83,159,289</u>	<u>\$95,796,914</u>

The assets and liabilities contributed by each entity at March 31, 1995, are as follows:

	Assets	Liabilities
Bassano	\$ 952,100	\$ 479,632
Big Country Health Unit	300,000	—
Bow Island	6,775,091	840,434
Brooks	9,655,294	1,412,950
Empress	1,281,198	76,319
Medicine Hat	82,475,902	7,456,502
Oyen	3,843,695	480,723
Southeastern Alberta Health Unit	619,891	911,757
Authority Corporate office	2,414,221	862,161
	<u>\$108,317,392</u>	<u>\$12,520,478</u>

Note 9 Severance Costs

Severance costs arise from the implementation of the business plan for the Authority.

The amount accrued (see note 6) represents the Authority's best estimate of the severance liability. Certain events, which are outside of the Authority's control, may affect the eventual severance amount paid.

Note 10 Approval of Financial Statements

These financial statements were approved by the members of the Authority.

Schedule 1

PALLISER HEALTH AUTHORITY
SCHEDULE OF SALARIES AND BENEFITS OF AUTHORITY
CORPORATE OFFICE
YEAR ENDED MARCH 31, 1995

	Salaries and Honoraria (a)	Benefits and Allowances (b)	Total
Authority Members (effective June 24, 1994)			
John Boksteyn (Chair)	\$ 28,491(c)	\$ —	\$ 28,491
Larry Albrecht	5,238	—	5,238
Larry Gillespie	7,857	—	7,857
Jim Hern	11,435	—	11,435
Leo Hill	10,273	—	10,273
John Lijdsman	12,631	—	12,631
Kenneth Lutes	8,151	—	8,151
Albert McFadyen	11,739	—	11,739
Dorothy Patry	10,562	—	10,562
Audrey Redmond	8,274	—	8,274
Roberta Rogers	10,922	—	10,922
Donna Rose	11,630	—	11,630
Lynne Sangster	9,238	—	9,238
Noel Sharp	14,148	—	14,148
Edward Torsher	11,259	—	11,259
	<u>171,848</u>	<u>—</u>	<u>171,848</u>
Executives and Other Staff (effective various dates from July 25, 1994, onwards)			
President/Chief Executive Officer	46,446	7,314	53,760
Interim Administrator	36,860	8,987	45,847
Other staff	50,301	2,686	52,987
	<u>133,607</u>	<u>18,987</u>	<u>152,594</u>
	<u>\$305,455</u>	<u>\$ 18,987</u>	<u>\$324,442</u>

- (a) Salaries and honoraria include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave and short-term disability.
- (b) Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation and vacation pay.
- (c) The honoraria amount for John Boksteyn includes payments of \$6,155 by Alberta Health for work on the provincial Council of Chairs committee.
- (d) This schedule excludes payments to board members and staff of disestablished entities. The information is provided in respect of Authority members and staff employed directly by the Authority during the year. Other staff who provided services to the Authority on a part-time basis are not included.

Schedule 2

PALLISER HEALTH AUTHORITY
INFORMATION ON PRIVATE AND VOLUNTARY ORGANIZATIONS
YEAR ENDED MARCH 31, 1995

	<u>Grants Provided By Alberta Health</u>	<u>Approved Fees and Charges</u>	<u>Total</u>
Private	\$3,722,054	\$1,381,939	\$5,103,993
Voluntary	2,205,695	231,512	2,437,207
	<u>\$5,927,749</u>	<u>\$1,613,451</u>	<u>\$7,541,200</u>

Effective 1995-96, the Authority became responsible for payments to private and voluntary organizations. This schedule provides information on payments made during 1994-95 directly by Alberta Health and approved fees and charges by the organizations. These grants and fees are not part of the amounts reported in the combined statement of revenue, expenditure and accumulated surplus (deficit).

PEACE REGIONAL HEALTH AUTHORITY
FINANCIAL STATEMENT SUMMARY
(Unaudited - See Notice to Reader)
MARCH 31, 1995

Notice to Reader

Financial Statement Summary (Unaudited - See Notice to Reader)

NOTICE TO READER

We have compiled the financial statement summary of Peace Regional Health Authority for the year ending March 31, 1995 by extracting the information from the audited financial statements of the separate divisions. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that this summary may not be appropriate for their purposes.

Doane Raymond
Chartered Accountants

Peace River, Canada
July 24, 1995

PEACE REGIONAL HEALTH AUTHORITY
 FINANCIAL STATEMENT SUMMARY ⁽¹⁾
 YEAR ENDED MARCH 31, 1995
 (Unaudited - See Notice to Reader)
 (thousands of dollars)

BALANCE SHEET

	Central Adminis- tration	Peace River Municipal Hospital	Peace River Auxiliary Hospital and Sutherland Nursing Home	Sacred Heart Health Centre (Acute Care)	Sacred Heart Health Centre (Long-term Care)	Manning General Hospital	Portion of Peace River Health Unit #21	Totals (2)(3)
ASSETS								
Current								
Cash and term deposits	\$705	\$ 528	\$ 1	\$ 1,436	\$ 796	\$1,165	\$ 213	\$ 4,844
Accounts receivable	1	115	18	138	9	119	34	434
Inventories	—	191	—	130	—	64	—	385
Prepaid expenses	—	—	—	21	—	18	4	43
	706	834	19	1,725	805	1,366	251	5,706
Investments	—	—	—	—	—	3	—	3
Capital Assets	—	4,351	1,131	11,235	3,474	2,966	1,321	24,478
Funds Held in Trust	—	—	210	—	—	—	7	217
	<u>\$706</u>	<u>\$ 5,185</u>	<u>\$1,360</u>	<u>\$12,960</u>	<u>\$4,279</u>	<u>\$4,335</u>	<u>\$1,579</u>	<u>\$30,404</u>
LIABILITIES AND EQUITY								
Current								
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable	59	972	117	517	120	292	382	2,459
Interdivision balances	—	976	(976)	150	(150)	—	—	—
Deferred revenue	346	267	173	71	125	369	57	1,408
	405	2,215	(686)	738	95	661	439	3,867
Unfunded Pension Liability	—	510	171	272	106	123	193	1,375
Trust Liability	—	—	210	—	—	—	7	217
Operating Fund Balances	301	(1,417)	(227)	551	716	397	(381)	(60)
Equity in Capital Assets	—	3877	1,892	11,399	3,362	3,154	1,321	25,005
	<u>\$706</u>	<u>\$ 5,185</u>	<u>\$1,360</u>	<u>\$12,960</u>	<u>\$4,279</u>	<u>\$4,335</u>	<u>\$1,579</u>	<u>\$30,404</u>

See accompanying notes to the financial statements.

PEACE REGIONAL HEALTH AUTHORITY
 FINANCIAL STATEMENT SUMMARY ⁽¹⁾ (continued)
 YEAR ENDED MARCH 31, 1995
 (Unaudited - See Notice to Reader)
 (thousands of dollars)

	Central Adminis- tration	Peace River Municipal Hospital	Peace River Auxiliary Hospital and Sutherland Nursing Home	Sacred Heart Health Centre (Acute Care)	Sacred Heart Health Centre (Long-term Care)	Manning General Hospital	Portion of Peace River Health Unit #21	Totals (2)(3)
STATEMENT OF REVENUE AND EXPENDITURES								
Revenue								
Contributions from Provincial Government	\$598	\$5,717	\$3,202	\$4,382	\$1,859	\$2,122	\$2,305	\$20,185
Client fees and charges	—	129	1,034	73	617	165	68	2,086
Other	—	1,885	94	608	34	252	32	2,905
	<u>598</u>	<u>7,731</u>	<u>4,330</u>	<u>5,063</u>	<u>2,510</u>	<u>2,539</u>	<u>2,405</u>	<u>25,176</u>
Expenditures								
Salaries and benefits	88	6,060	3,597	3,455	2,067	1,623	1,711	18,601
Drugs and medical supplies	—	327	218	225	126	161	—	1,057
Physical plant supplies, maintenance and rent	63	270	127	281	80	86	121	1,028
Severance agreements	—	266	—	73	15	10	171	535
Other	146	1,070	443	791	208	398	578	3,634
	<u>297</u>	<u>7,993</u>	<u>4,385</u>	<u>4,825</u>	<u>2,496</u>	<u>2,278</u>	<u>2,581</u>	<u>24,855</u>
Surplus (Deficit) before Amortization	301	(262)	(55)	238	14	261	(176)	321
Amortization of Capital Assets	—	463	85	556	165	247	44	1,560
Surplus (Deficit)	<u>\$301</u>	<u>\$ (725)</u>	<u>\$ (140)</u>	<u>\$ (318)</u>	<u>\$ (151)</u>	<u>\$ 14</u>	<u>\$ (220)</u>	<u>\$ (1,239)</u>

See accompanying notes to the financial statements.

PEACE REGIONAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENT SUMMARY
MARCH 31, 1995
(Unaudited - See Notice to Reader)

1. This summary includes all entities which the Peace Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
2. There is no audit of the Peace Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
3. Transactions between divisions have not been eliminated because they are not of material amount.

PROVINCIAL MENTAL HEALTH BOARD
COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995

Auditor's Report
Combined Balance Sheet
Combined Statement of Revenue, Expenditure and Fund Balances
Combined Statement of Changes in Financial Position
Notes to the Combined Financial Statements
Schedule 1 - Salaries and Benefits

AUDITOR'S REPORT

To the Members of the Provincial Mental Health Board

I have audited the combined balance sheet of the Provincial Mental Health Board as at March 31, 1995 and the combined statements of revenue, expenditure and fund balances, and changes in financial position for the year then ended. These combined financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these combined financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine, FCA
Auditor General

Edmonton, Alberta
June 16, 1995

PROVINCIAL MENTAL HEALTH BOARD
COMBINED BALANCE SHEET
AS AT MARCH 31, 1995
(thousands of dollars)

	<u>1995</u>	<u>1994</u>
ASSETS		
Current:		
Cash and short-term investments	\$24,050	\$19,842
Accounts receivable	1,601	973
Inventories	251	649
Prepaid expenses	85	285
	<u>25,987</u>	<u>21,749</u>
Capital assets (Note 4)	57,333	64,344
	<u>\$83,320</u>	<u>\$86,093</u>
LIABILITIES AND FUND BALANCES		
Current:		
Accounts payable and accrued liabilities	\$ 5,744	\$ 6,703
Accrued payroll liabilities	3,632	4,865
Deferred operating grants	836	1,469
	<u>10,212</u>	<u>13,037</u>
Pension obligation (Note 5)	<u>6,560</u>	<u>7,503</u>
Fund balances:		
Operating	8,112	267
Restricted:		
Capital	58,220	65,178
School of Nursing	216	108
	<u>66,548</u>	<u>65,553</u>
	<u>\$83,320</u>	<u>\$86,093</u>

The accompanying notes and schedule are
part of these combined financial statements.

PROVINCIAL MENTAL HEALTH BOARD
COMBINED STATEMENT OF REVENUE, EXPENDITURE AND FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	Operating		Restricted				Total	
	1995	1994	Capital	School of Nursing	Total 1995	Total 1994	1995	1994
Revenue:								
Grants	\$ 92,273	\$ 93,298	\$ 210	\$ 854	\$ 1,064	\$ 3,956	\$ 93,337	\$ 97,254
Patient charges	2,555	3,120	—	—	—	—	2,555	3,120
Sales, services and recoveries	1,945	2,125	—	—	—	—	1,945	2,125
Interest	1,348	1,096	31	8	39	36	1,387	1,132
Other	90	25	—	67	67	104	157	129
Donations	—	—	7	—	7	6	7	6
	<u>98,211</u>	<u>99,664</u>	<u>248</u>	<u>929</u>	<u>1,177</u>	<u>4,102</u>	<u>99,388</u>	<u>103,766</u>
Expenditure:								
Salaries and wages	61,026	74,407	—	558	558	720	61,584	75,127
Employee benefits	8,785	11,003	—	86	86	101	8,871	11,104
Amortization	4,378	3,986	—	108	108	106	4,486	4,092
Capital development costs written off	4,792	2,836	—	—	—	—	4,792	2,836
Purchased services	4,358	2,414	—	—	—	—	4,358	2,414
Other supplies and services	3,400	3,232	—	24	24	58	3,424	3,290
Utilities	2,113	2,301	—	25	25	25	2,138	2,326
Food and dietetic supplies	1,997	2,161	—	2	2	4	1,999	2,165
Drugs and medical supplies	1,553	1,562	—	—	—	1	1,553	1,563
Professional fees	1,204	1,040	—	85	85	72	1,289	1,112
Buildings and grounds expenses	1,283	965	—	36	36	35	1,319	1,000
Equipment expenses	1,195	993	—	5	5	7	1,200	1,000
Plant supplies	905	779	—	—	—	—	905	779
Building rent	344	244	—	—	—	—	344	244
Loss on disposal of capital assets	93	68	—	—	—	—	93	68
Refund of unexpended capital grants	—	—	38	—	38	—	38	—
	<u>97,426</u>	<u>107,991</u>	<u>38</u>	<u>929</u>	<u>967</u>	<u>1,129</u>	<u>98,393</u>	<u>109,120</u>
Excess (deficiency) of revenue over expenditure	785	(8,327)	210	—	210	2,973	995	(5,354)
Fund balances at beginning of year	267	2,969	65,178	108	65,286	67,938	65,553	70,907
Interfund-transfers for:								
Building demolition costs	120	—	(120)	—	(120)	—	—	—
Capital asset acquisitions	(1,660)	(1,563)	1,660	—	1,660	1,563	—	—
Amortization charges	4,378	3,986	(4,486)	108	(4,378)	(3,986)	—	—
Certain capital development costs written off	4,110	2,836	(4,110)	—	(4,110)	(2,836)	—	—
Administrative planning expenses	12	295	(12)	—	(12)	(295)	—	—
Capital asset disposals at net book value	100	71	(100)	—	(100)	(71)	—	—
	<u>7,327</u>	<u>8,594</u>	<u>58,010</u>	<u>216</u>	<u>58,226</u>	<u>62,313</u>	<u>65,553</u>	<u>70,907</u>
Fund balances at end of year	<u>\$ 8,112</u>	<u>\$ 267</u>	<u>\$ 58,220</u>	<u>\$ 216</u>	<u>\$ 58,436</u>	<u>\$ 65,286</u>	<u>\$ 66,548</u>	<u>\$ 65,553</u>

PROVINCIAL MENTAL HEALTH BOARD
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995	1994
Operating activities:		
Excess (deficiency) of revenue over expenditure:		
Operating	\$ 785	\$ (8,327)
School of Nursing	—	(70)
Add (deduct) non-cash charges (credits):		
Amortization of capital assets	4,486	4,092
Pension expense	(943)	94
Loss on disposal of capital assets	93	68
Capital development costs written off	4,792	2,836
	9,213	(1,307)
Changes in working capital (Note 6)	(2,855)	(2,323)
Cash generated from (used by) operations	6,358	(3,630)
Investing activities:		
Acquisitions of capital assets	(2,367)	(4,431)
Proceeds on disposal of capital assets	7	3
Cash used by investing activities	(2,360)	(4,428)
Financing activities:		
Capital grants, donations and interest	248	3,043
Refund of unexpended capital grants	(38)	—
Cash generated from financing activities	210	3,043
Increase (decrease) in cash and short-term investments	4,208	(5,015)
Cash and short-term investments at beginning of year	19,842	24,857
Cash and short-term investments at end of year	<u>\$24,050</u>	<u>\$19,842</u>

PROVINCIAL MENTAL HEALTH BOARD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
MARCH 31, 1995

Note 1 Authority and Purpose

The Provincial Mental Health Board ("the Board") was established on September 21, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994.

Effective March 31, 1995, the Board became responsible for the operation of the following Provincially funded health facilities:

- Alberta Hospital Edmonton, and
- Alberta Hospital Ponoka.

The Board assumed assets and liabilities of the above entities at March 31, 1995 pursuant to Orders-in-Council issued under the Regional Health Authorities Act.

The transfer of assets and liabilities of care centres in Raymond and Claresholm, and mental health clinics operated by Alberta Health that have been transferred to the Board was effective on April 1, 1995. These entities will be accounted for in 1995-96. The value of assets and liabilities of these entities has not yet been determined.

The Board has the responsibility to consolidate, plan, implement and divest mental health services in Alberta. The Board is required to develop proposals to transfer the mental health services to the regional health authorities. When this transfer is completed, the Board will be disbanded.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Basis of Combination

These combined financial statements have been prepared in accordance with the pooling of interest method. Under this method, the book values of assets, liabilities and net assets of each of the entities being combined are added together to form the combined value of assets, liabilities and net assets of the Board, after making adjustments to put the accounting policies of the merged entities on a common basis. The revenue and expenditure reported by the Board include amounts for the entire fiscal period of each entity as if they had been combined since their inception. The effective date for the combination is March 31, 1995.

(b) Fund Accounting

The accounts for the Board are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major fund groupings:

- Operating fund for mental health programs.
- Capital fund for reporting capital grants and donations, expenditures and equity in capital assets of the Board.
- School of Nursing fund for funds restricted in use as specified by external parties.

(c) Inventories

Inventories are recorded at the lower of cost and net replacement cost.

(d) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis as follows:

Buildings and improvements	10 to 50 years
Furniture and equipment	5 to 15 years
Land improvements	10 to 30 years

(e) Pension Obligation

The Board's pension obligation is its portion of the pension plan's total unfunded pension liability, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

Pension expenditure includes pension obligations earned by employees during the year, interest on the unfunded pension liability, the amortization of deferred adjustments over the expected average remaining service life of employees, and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

(f) Revenue Recognition

Operating grants are recognized in the period in which the grant entitlement arises.

Capital grants and capital donations are recorded as revenue in the period received.

Externally restricted contributions are recognized as revenue in the period in which the related contributions are received.

Revenue from the sale of goods and services is recognized at the time the goods are delivered or the services are provided.

Note 3 Merged Entities

Information on fund balances contributed by each entity at the date of combination is as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Balances</u>
	(thousands of dollars)		
Merged entities:			
Alberta Hospital Edmonton	\$37,434	\$ 9,145	\$28,289
Alberta Hospital Ponoka	<u>44,765</u>	<u>7,540</u>	<u>37,225</u>
	82,199	16,685	65,514
Provincial Mental Health Board - Corporate Office	<u>1,121</u>	<u>87</u>	<u>1,034</u>
	<u>\$83,320</u>	<u>\$16,772</u>	<u>\$66,548</u>

Note 4 Capital Assets

Capital assets consist of the following:

	1995			1994
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
	(thousands of dollars)			
Land	\$ 747	\$ —	\$ 747	\$ 747
Land improvements	1,754	1,418	336	399
Buildings and improvements	84,139	33,671	50,468	53,309
Furniture and equipment	16,315	10,533	5,782	6,053
Construction in progress	—	—	—	3,836
	<u>\$102,955</u>	<u>\$ 45,622</u>	<u>\$ 57,333</u>	<u>\$ 64,344</u>

Land transferred from the Province on June 30, 1988 for the Alberta Hospital Edmonton facilities has been included at a nominal value.

Note 5 Pension Obligation

The Board participates with other employers in the Local Authorities Pension Plan. This is a defined benefit pension plan and provides pensions for the Board's employees based on their years of service and earnings.

The total pension obligation as at March 31, 1995 was determined by an actuarial valuation as at December 31, 1993 extrapolated to March 31, 1995. The 1994 comparative figure was based on an extrapolation of a December 31, 1991 actuarial valuation.

The Public Sector Pension Plans Act specifies the basis to determine the amount of the total unfunded liability for the Plan which will be funded by employers. The Board's portion of those employers' liabilities was based on the Board's percentage of total pensionable payroll of all employers. The liability is to be fully funded by December 31, 2036 through increased contributions by the Board.

Note 6 Changes in Working Capital

	<u>1995</u>	<u>1994</u>
	(thousands of dollars)	
Accounts receivable	\$ (628)	\$ 476
Inventories	398	156
Prepaid expenses	200	11
Accrued payroll liabilities	(1,233)	(1,122)
Accounts payable and accrued liabilities	(959)	(1,859)
Deferred operating grants	(633)	15
	<u>\$(2,855)</u>	<u>\$(2,323)</u>

Note 7 Operating Leases

The future minimum lease payments and balances of obligations under the operating leases for office and equipment rental are as follows:

	(thousands of dollars)
Year ending March 31	
1996	\$166
1997	147
1998	28
1999	1

Note 8 Related Parties

Contributions to the Board by the Alberta Hospital Edmonton Foundation are as follows:

	<u>1995</u>	<u>1994</u>
	(thousands of dollars)	
Reimbursement for secretarial services	\$26	\$12
Capital donations	1	6

The Board provides administrative and support services to the Alberta Hospital Edmonton Foundation to assist it in its operations. The Foundation undertakes fund raising activities to provide operating and capital donations to further the objectives of the Board.

Note 9 Contingencies

Claims for \$2.5 million have been received to recover costs alleged to have been incurred as a result of delays in construction of the Brain Injury Unit and the Educational Complex at the Alberta Hospital Ponoka. Management believes it has a valid defence against this claim. It is not possible at this time to determine the amount, if any, that the Board may eventually pay. If any payment is made, it will be accounted for in the period when it is settled.

Note 10 Commitments

At March 31, 1995, the Board had commitments in respect of various capital projects amounting to approximately \$30,000. Funding for these projects is provided by Alberta Public Works, Supply and Services.

At March 31, 1995, commitments on contracts for dietary, housekeeping and security services amounted to approximately \$5,500,000.

Note 11 Approval of Financial Statements

These financial statements were approved by the Board.

PROVINCIAL MENTAL HEALTH BOARD
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 1995
(thousands of dollars)

	1995						1994	
	Number of FTE's ⁽¹⁾	Salary ⁽²⁾	Benefits and Allowance ⁽³⁾	Number of Subtotal	Severance	Total	FTE's	Total
Board Honoraria:								
Provincial Mental Health Board:								
Chairperson:								
Craig Simmons	1	\$ 17	\$ —	\$ 17	\$ —	\$ 17	—	\$ —
Board members:								
Gloria Bergman	1	7	—	7	—	7	—	—
Muriel Bye	1	7	—	7	—	7	—	—
William Gaudette	1	8	—	8	—	8	—	—
Sheila Hagen-Bloxham	1	7	—	7	—	7	—	—
Lucy Horbay	1	8	—	8	—	8	—	—
Jean Impey	1	9	—	9	—	9	—	—
Alan Joys	1	6	—	6	—	6	—	—
Whitney Kingsley	1	9	—	9	—	9	—	—
Gloria Laird (effective February 1995)	1	1	—	1	—	1	—	—
Joan Nuckles	1	8	—	8	—	8	—	—
Mary Oordt	1	11	—	11	—	11	—	—
Howard Rowland	1	6	—	6	—	6	—	—
Betty Schoenhofer	1	6	—	6	—	6	—	—
Paul Sinclair (June to September 1994)	1	2	—	2	—	2	—	—
Justice William Stevenson	1	6	—	6	—	6	—	—
	<u>16</u>	<u>118</u>	<u>—</u>	<u>118</u>	<u>—</u>	<u>118</u>	<u>—</u>	<u>—</u>
Disestablished entities:								
Board chairs	2	10	—	10	—	10	2	22
Board members	13	27	—	27	—	27	13	50
	<u>15</u>	<u>37</u>	<u>—</u>	<u>37</u>	<u>—</u>	<u>37</u>	<u>15</u>	<u>72</u>
Total ⁽⁵⁾		<u>\$ 155</u>	<u>\$ —</u>	<u>\$ 155</u>	<u>\$ —</u>	<u>\$ 155</u>		<u>\$ 72</u>
Salaries and wages:								
Provincial Mental Health Board:								
Executive Director (effective October 1, 1994) ⁽⁴⁾	1	\$ 60	\$ 13	\$ 73	\$ —	\$ 73	—	\$ —
Disestablished entities:								
Executives ⁽⁴⁾ (average 1995 \$108, 1994 \$109)	9	863	106	969	74	1,043	10	1,133
Other managers (average 1995 \$64, 1994 \$69)	71	3,841	691	4,532	49	4,581	101	8,408
Other full-time staff:								
Nurses and psychiatric aides (average 1995 \$45, 1994 \$47)	536	20,570	3,729	24,299	14	24,313	623	29,126
Other (average 1995 \$38, 1994 \$38)	629	19,928	3,740	23,668	659	24,327	759	30,615
Part-time and casual staff	—	13,340	1,540	14,880	—	14,880	—	14,514
Total	<u>1,246</u>	<u>\$58,602</u>	<u>\$ 9,819</u>	<u>\$68,421</u>	<u>\$ 796</u>	<u>69,217</u>	<u>1,493</u>	<u>83,796</u>
Medical fees						<u>2,186</u>		<u>2,346</u>
						<u>\$71,403</u>		<u>\$86,142</u>

Schedule 1 (continued)

	<u>1995</u>	<u>1994</u>
Summary:		
Salaries and wages	\$61,584	\$75,127
Benefits	8,871	11,104
Decrease (increase) in pension obligation	943	(94)
Other	5	5
	<u>\$71,403</u>	<u>\$86,142</u>

- (1) Full-time equivalents (FTE's) are determined based on the normal annual hours of work as established by the individual entity, except for Board members which is based on the number of Board members during the year.
- (2) Salary includes regular base pay, overtime, premiums, lump sum payments, vacation payout, honoraria and any other direct cash remuneration. Staff salaries were rolled back by 5% throughout the 1994 calendar year. Average salaries exclude severance costs.
- (3) Includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, extended health care, group life insurance, accidental death and dismemberment insurance, long and short-term disability plans, professional membership and tuition.
- (4) Automobiles provided for the Board, Executive Director and the President and CEO of Alberta Hospital Edmonton, but no amount is included in the benefits and allowance figure.
- (5) Amounts relating to Board honoraria are included under the category of "Other Supplies and Services" in the statement of revenue, expenditure and fund balances.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Mountain View Health Care Centre	Drumheller Regional Healthcare Complex	Drumheller Lifeline	Drumheller Health Unit	Hanna Health Care Complex	Hanna General and Auxiliary Hospital and Nursing Home	Big Country Health Unit
OPERATING FUND BALANCE SHEET							
ASSETS							
Current							
Cash	\$701,753	\$1,464,654	\$27,113	\$115,916	\$386,888	\$675,056	\$49,574
Short term deposit receipts	—	—	—	—	91,285	—	—
Accounts receivable	93,790	116,369	120	7,159	322,350	7,239	5,921
Inventories	76,812	241,904	—	—	76,877	—	—
Prepaid expenses	—	102,524	—	—	41,522	8,792	22
	872,355	1,925,451	27,233	123,075	918,922	691,087	55,517
Capital Assets	—	—	14,122	61,326	—	—	31,112
Due from Capital Funds	—	713,888	—	—	—	—	—
Due from Related Party	—	103,222	—	—	—	—	—
	\$872,355	\$2,742,561	\$41,355	\$184,401	\$918,922	\$691,087	\$86,629
LIABILITIES							
Current							
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	684,225	1,120,065	1,247	234,177	267,605	381,318	6,681
Accrued vacation pay	—	—	—	—	—	—	28,356
Due to inter-facilities	—	225,806	—	—	—	—	—
Unearned income	—	35,644	—	—	41,352	25,520	—
	684,225	1,381,515	1,247	234,177	308,957	406,838	35,037
Pension Obligation	383,360	557,755	—	133,766	157,474	29,546	47,426
Operating Fund Equity	(195,230)	803,291	40,108	(183,542)	452,491	254,703	4,166
	\$872,355	\$2,742,561	\$41,355	\$184,401	\$918,922	\$691,087	\$86,629

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Mountain View Health Care Centre	Drumheller Regional Healthcare Complex	Drumheller Lifeline	Drumheller Health Unit	Hanna Health Care Complex	Hanna General and Auxiliary Hospital and Nursing Home	Big Country Health Unit
CAPITAL FUND BALANCE SHEET							
ASSETS							
Current							
Cash	\$ 241,557	\$ 31,400	\$ —	\$ —	\$ —	\$ —	\$ —
Grant receivable	—	—	—	—	—	—	—
Accounts receivable	—	153,115	—	—	—	—	—
	241,557	184,515	—	—	—	—	—
Investments	—	500,270	—	—	—	—	—
Capital Assets	9,089,397	3,978,252	—	—	1,437,364	7,360,185	—
	\$9,330,954	\$4,663,037	\$ —	\$ —	\$1,437,364	\$7,360,185	\$ —
LIABILITIES							
Current							
Accounts payable	\$ —	\$ 54,068	\$ —	\$ —	\$ —	\$ 79,639	\$ —
Due to operating fund	—	713,886	—	—	—	—	—
Unexpended capital grants payable	60,000	—	—	—	—	—	—
	60,000	767,954	—	—	—	79,639	—
Deferred Capital Grant Revenue	655,977	—	—	—	34,344	6,944,600	—
Capital Fund Unappropriated Equity	8,614,977	3,895,083	—	—	1,403,020	335,946	—
	\$9,330,954	\$4,663,037	\$ —	\$ —	\$1,437,364	\$7,360,185	\$ —

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Mount View Health Unit	Cereal Municipal Hospital	Valley General Hospital	Corporate Office (2)	Three Hills Health Care Centre	Total (3)(4)(5)
<u>OPERATING FUND BALANCE SHEET (continued)</u>						
ASSETS						
Current						
Cash	\$33,382	\$ 73,209	\$482,397	\$805,408	\$ —	\$4,815,350
Short term deposit receipts	—	—	—	—	—	91,285
Accounts receivable	—	1,632	158,962	—	35,159	748,701
Inventories	—	5,867	77,827	—	88,503	567,790
Prepaid expenses	—	773	20,237	—	5,126	178,996
	33,382	81,481	739,423	805,408	128,788	6,402,122
Capital Assets	—	762,679	—	—	—	869,239
Due from Capital Funds	—	—	—	—	—	713,888
Due from Related Party	—	—	—	—	—	103,222
	<u>\$33,382</u>	<u>\$844,160</u>	<u>\$739,423</u>	<u>\$805,408</u>	<u>\$128,788</u>	<u>\$8,088,471</u>
LIABILITIES						
Current						
Bank indebtedness	\$ —	\$ —	\$ —	\$162,380	\$254,006	\$ 416,386
Accounts payable and accrued liabilities	49,299	22,058	693,884	—	217,338	3,677,897
Accrued vacation pay	—	—	—	—	—	28,356
Due to inter-facilities	—	—	26,926	103,222	—	355,954
Unearned income	—	10,000	—	—	—	112,516
	49,299	32,058	720,810	265,602	471,344	4,591,109
Pension Obligation	—	—	22,413	—	169,248	1,500,988
Operating Fund Equity	(15,917)	812,102	(3,800)	539,806	(511,804)	1,996,374
	<u>\$33,382</u>	<u>\$844,160</u>	<u>\$739,423</u>	<u>\$805,408</u>	<u>\$128,788</u>	<u>\$8,088,471</u>

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Mount View Health Unit	Cereal Municipal Hospital	Valley General Hospital	Corporate Office (2)	Three Hills Health Care Centre	Total (3)(4)(5)
<u>CAPITAL FUND BALANCE SHEET (continued)</u>						
ASSETS						
Current						
Cash	\$ —	\$ —	\$ —	\$ —	\$ 9,751	\$ 282,708
Grant receivable	—	—	1633	—	—	1,633
Accounts receivable	—	—	—	—	—	153,115
	—	—	1,633	—	9,751	437,456
Investments	—	—	—	—	—	500,270
Capital Assets	—	—	6,634,545	—	6,611,728	35,111,471
	<u>\$ —</u>	<u>\$ —</u>	<u>\$6,636,178</u>	<u>\$ —</u>	<u>\$6,621,479</u>	<u>\$36,049,197</u>
LIABILITIES						
Current						
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ 11,763	\$ 145,470
Due to operating fund	—	—	—	—	—	713,886
Unexpended capital grants payable	—	—	—	—	—	60,000
	—	—	—	—	11,763	919,356
Deferred Capital Grant Revenue	—	—	—	—	4,689,116	12,324,037
Capital Fund Unappropriated Equity	—	—	6,636,178	—	1,920,600	22,805,804
	<u>\$ —</u>	<u>\$ —</u>	<u>\$6,636,178</u>	<u>\$ —</u>	<u>\$6,621,479</u>	<u>\$36,049,197</u>

See accompanying notes.

BOARD-GOVERNED INSTITUTIONS

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Mountain View Health Care Centre	Mountain View Health Care Centre Nursing Home	Drumheller Regional Healthcare Complex	Drumheller Regional Healthcare Complex Nursing Home	Drumheller Lifeline	Drumheller Health Unit	Hanna Health Care Complex	Hanna General and Auxiliary Hospital and Nursing Home	Big Country Health Unit
STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES									
Revenue									
Provincial planned & special funding	\$2,701,105	\$3,084,925	\$5,996,871	\$2,572,804	\$ —	\$2,795,547	\$2,769,060	\$1,985,340	\$824,309
Authorized charges	—	875,655	90,344	—	—	—	24,099	—	—
Investment income	78,867	—	64,245	48,273	—	38,198	24,808	11,923	—
Preferred accommodation	101,960	101,827	77,784	1,036,398	—	—	—	—	—
Recoveries	85,421	120,418	88,862	4,739	—	—	857,214	17,084	—
WCB & federal agencies	31,339	—	65,960	—	—	—	53,287	7,899	—
Non-residents	15,399	—	24,384	—	—	—	—	—	—
Resident charges	—	—	—	—	—	—	—	599,882	—
Out-patients	16,919	—	77,256	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	9,796
Other income	—	—	94,870	—	13,179	58,549	12,099	182,754	9,526
Total Revenue (6)	3,031,010	4,182,825	6,580,576	3,662,214	13,179	2,892,294	3,740,567	2,804,882	843,631
Expenditures									
Salaries & employee benefits	2,011,509	3,465,530	4,375,867	2,319,161	—	2,240,769	2,535,093	1,345,166	755,089
Supplies & other expenses	553,832	703,080	1,158,349	455,066	2,934	705,179	863,595	845,298	107,831
Purchased services	166,489	121,534	254,417	735,299	—	—	237,470	273,660	—
Drugs	59,061	40,979	150,399	59,898	—	—	97,005	51,067	—
Medical & surgical supplies	110,124	40,918	88,151	56,606	—	—	11,566	17,559	—
Depreciation	—	—	—	—	—	24,246	—	—	14,727
Pension expense	29,542	51,165	77,103	40,687	—	6,917	20,823	3,907	—
Total Expenditures (7)	2,930,557	4,423,206	6,104,286	3,666,717	2,934	2,977,111	3,765,552	2,536,657	877,647
Excess (Deficiency) of Revenue over Expenditures for the Year	\$ 100,453	\$ (240,381)	\$ 476,290	\$ (4,503)	\$10,245	\$ (84,817)	\$ (24,985)	\$ 268,225	\$ (34,016)

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Mountain View Health Care Centre	Mountain View Health Care Centre Nursing Home	Drumheller Regional Healthcare Complex	Drumheller Regional Healthcare Complex Nursing Home	Drumheller Special Purpose Funding	Drumheller Three Hills Strathmore Society	Hanna Health Care Complex	Hanna General and Auxiliary Hospital and Nursing Home	Big Country Health Unit
STATEMENT OF CAPITAL FUND REVENUE AND EXPENDITURES									
Revenue									
Interest	\$ 2,658	\$ —	\$ 1,939	\$ —	\$37,884	\$99,405	\$ 18,810	\$22,781	\$ —
Donations	4,500	—	—	—	30,358	—	86,817	11,182	—
Capital grants	—	—	214,306	—	—	—	—	—	—
Amortization of deferred capital grants	21,676	34,172	—	—	—	—	—	—	—
	28,834	34,172	216,245	—	68,242	99,405	105,627	33,963	—
Expenditures									
Amortization	528,657	110,032	183,217	50,174	24,671	—	124,403	17,718	—
Loss on disposal of capital assets	—	—	—	—	—	—	36,010	—	—
Interest	—	—	—	—	—	7,421	—	—	—
	528,657	110,032	183,217	50,174	24,671	7,421	160,413	17,718	—
Excess (Deficiency) of Revenue over Expenditures for the Year	\$(499,823)	\$(75,860)	\$ 33,028	\$(50,174)	\$43,571	\$91,984	\$(54,786)	\$16,245	\$ —

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Cereal Municipal Hospital	Mount View Health Unit	Valley General Hospital	Valley General Hospital and Extended Care Nursing Home	Three Hills Health Care Centre	Three Hills Health Care Centre - Auxiliary Centre	Corporate Office (2)	Total (3)(4)(5)
STATEMENT OF OPERATING FUND								
REVENUE AND EXPENDITURES (continued)								
Revenue								
Provincial planned & special funding	\$548,293	\$222,674	\$2,755,824	\$765,298	\$1,963,774	\$ 855,064	\$954,373	\$30,795,266
Authorized charges	60,483	—	19,448	—	7,178	219,319	—	1,296,531
Investment income	—	—	28,287	—	1,920	—	9,223	305,744
Preferred accommodation	—	—	14,272	—	760	9,306	—	1,342,307
Recoveries	—	—	170,282	3,468	72,209	—	—	1,419,697
WCB & federal agencies	—	—	46,075	—	9,044	—	—	213,604
Non-residents	—	—	45,105	—	24,643	—	—	109,531
Resident charges	—	—	—	—	—	—	—	599,882
Out-patients	—	—	54,821	—	28,402	—	—	177,398
Interest	—	3,456	—	—	—	—	—	13,252
Other income	29,144	2,059	116,627	228,185	5,430	—	—	752,422
Total Revenue (6)	637,930	228,189	3,250,741	996,951	2,113,360	1,083,689	963,596	37,025,634
Expenditures								
Salaries & employee benefits	502,632	170,256	2,195,566	375,030	1,607,694	986,466	112,151	25,297,979
Supplies & other expenses	128,760	51,665	731,539	246,265	392,001	107,070	311,639	7,364,103
Purchased services	—	—	119,625	54,038	25,978	12,989	—	2,001,499
Drugs	12,609	—	82,087	—	94,492	22,135	—	669,732
Medical & surgical supplies	—	—	71,077	—	49,422	27,976	—	473,399
Depreciation	64,520	—	—	—	—	—	—	103,493
Pension expense	—	—	—	—	16,185	6,195	—	252,524
Total Expenditures (7)	708,521	221,921	3,199,894	975,333	2,185,772	1,162,831	423,790	36,162,729
Excess (Deficiency) of Revenue over Expenditures for the Year	\$ (70,591)	\$ 6,268	\$ 50,847	\$ 21,618	\$ (72,412)	\$ (79,142)	\$539,806	\$ 862,905

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Cereal Municipal Hospital	Mount View Health Unit	Valley General Hospital	Valley General Hospital and Extended Care Nursing Home	Three Hills Health Care Centre	Three Hills Health Care Centre - Auxiliary Centre	Corporate Office (2)	Total (3)(4)(5)
STATEMENT OF CAPITAL FUND								
REVENUE AND EXPENDITURES (continued)								
Revenue								
Interest	\$ —	\$ —	\$ —	\$ —	\$ 15,831	\$ —	\$ —	\$199,308
Donations	—	—	—	—	—	—	—	132,857
Capital grants	—	—	—	11,519	—	—	—	225,825
Amortization of deferred capital grants	—	—	—	—	184,877	—	—	240,725
	—	—	—	11,519	200,708	—	—	798,715
Expenditures								
Amortization	—	—	—	536,897	251,686	—	—	1,827,455
Loss on disposal of capital assets	—	—	—	—	—	—	—	36,010
Interest	—	—	—	—	—	—	—	7,421
	—	—	—	536,897	251,686	—	—	1,870,886
Excess (Deficiency) of Revenue over Expenditures for the Year	\$ —	\$ —	\$ —	\$(525,378)	\$ (50,978)	\$ —	\$ —	\$(1,072,171)

See accompanying notes.

REGIONAL HEALTH AUTHORITY 5
NOTES TO 1994/95 FINANCIAL STATEMENT SUMMARY
(Unaudited)

- (1) This summary includes all entities which the Regional Health Authority took control over during the 1994/95 fiscal year. It does not include voluntary and private facilities which were funded directly by Alberta Health during the year.
- (2) Relates to the audited financial statements covering Regional Health Authority central administrative function.
- (3) There is no audit of the Regional Health Authority total. Rather there are audit reports pertaining to each set of financial statements for the related columns making up the total. The financial statements for the Health Units which were dispersed to more than one Regional Health Authority pertain to the whole Health Unit of which the partial columns represent a segment.
- (4) Money provided by the central administration division to other divisions has been eliminated in preparing the combined total. Other transactions between divisions have not been eliminated because they are not of material amount.
- (5) 1994/95 funding for community agencies and voluntary and private facilities within the region was provided directly to those entities by Alberta Health and therefore is not included in the combined total. In 1995/96 the Regional Health Authority will fund these entities directly. Had 1994/95 funding to these external entities been routed through the Regional Health Authority, the Total Revenue and Total Expenditures would have been restated for client fees and charges and funding of these organizations as follows:

Total Revenue per (6) above	\$37,025,634
Grants and Client Fees	1,221,346
Total Revenue restated	<u>\$38,246,980</u>
 Total Expenditures per (7) above	 \$36,162,729
Adjustment for Funding - Voluntary	1,221,346
Total Expenditures restated	<u>\$37,384,075</u>

WESTVIEW REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	WRHA Corporate (2)	Devon Hospital	Stony Plain Municipal Hospital	Edson Hospital & Nursing Home	Hinton General Hospital	Seton General Hospital
BALANCE SHEET						
ASSETS						
Current Assets						
Cash	\$ 883,300	\$ 266,778	\$ 5,903	\$ 220,943	\$ 52,382	\$ 37,708
Short term investments	—	240,987	—	227,723	—	285,374
Accounts receivable	—	22,381	112,757	130,998	62,096	97,963
Inventories	—	35,581	53,279	70,026	170,125	85,578
Prepaid expenses	37,966	2,893	38,566	7,842	24,289	20,266
Total current assets	921,266	568,620	210,505	657,532	308,892	526,889
Portfolio Investments	—	5,050	—	150	—	—
Capital Assets	—	8,802,545	1,777,628	5,697,973	6,103,333	3,440,903
Funds Held in Trust	—	—	5,397	—	157,104	—
Total Assets	\$ 921,266	\$9,376,215	\$1,993,530	\$6,355,655	\$6,569,329	\$3,967,792
LIABILITIES & EQUITY						
Current Liabilities						
Bank indebtedness	\$ —	\$ —	\$ 19,287	\$ —	\$1,130,806	\$ 236,664
Accounts payable	557,433	77,402	252,924	269,677	61,926	190,714
Accrued employee benefits	—	137,246	171,194	247,031	346,260	—
Deferred revenue	50,000	—	19,831	—	—	—
Total current liabilities	607,433	214,648	463,236	516,708	1,538,992	427,378
Long Term Debt	—	—	—	—	31,417	230,140
Unfunded Pension Liability	—	115,434	183,033	230,302	199,471	172,221
Operating Fund Equity	—	233,485	(377,560)	(162,732)	(1,490,018)	(362,922)
Restricted Fund Equity	313,833	1,839	5,397	—	157,104	—
Capital Fund Equity	—	8,810,809	1,719,424	5,771,377	6,132,363	3,500,975
Total Liabilities & Equity	\$ 921,266	\$9,376,215	\$1,993,530	\$6,355,655	\$6,569,329	\$3,967,792
STATEMENT OF REVENUE & EXPENDITURES						
Revenue						
Grants from Alberta Health	\$1,243,010	\$2,434,399	\$3,912,054	\$4,405,296	\$3,948,300	\$1,830,259
Client fees & charges	—	51,687	116,357	705,443	249,311	821,648
Other	6,538	99,830	403,543	127,287	126,791	156,045
Total Revenue (6)	1,249,548	2,585,916	4,431,954	5,238,026	4,324,402	2,807,952
Expenditures						
Salaries & benefits	200,697	1,767,244	3,039,387	3,550,234	2,991,919	2,107,672
Drugs & medical supplies	—	90,606	290,781	438,337	410,710	95,593
Facility operation	—	161,568	133,961	321,699	214,849	144,403
Depreciation	—	293,167	207,374	350,976	360,715	141,860
Other	735,018	588,647	752,314	688,063	756,633	567,302
Total Expenditures (7)	935,715	2,901,232	4,423,817	5,349,309	4,734,826	3,056,830
Surplus/Deficit	\$ 313,833	\$ (315,316)	\$ 8,137	\$ (111,283)	\$ (410,424)	\$ (248,878)

See accompanying notes.

WESTVIEW REGIONAL HEALTH AUTHORITY
1994/95 FINANCIAL STATEMENT SUMMARY (1)
(Unaudited)

	Stony Plain Lac Ste Anne Health Unit	Alberta West Central Health Unit	Jasper Health Unit	Leduc Strathcona Health Unit	Total (3)(4)(5)
BALANCE SHEET (continued)					
ASSETS					
Current Assets					
Cash	\$ 75,518	\$ 375	\$ 30,975	\$ 10,185	\$ 1,584,067
Short term investments	116,102	15,990	44,473	—	930,649
Accounts receivable	19,298	29,731	1,318	1,678	478,220
Inventories	—	29,084	—	—	443,673
Prepaid expenses	18,561	14,793	575	203	165,954
Total current assets	229,479	89,973	77,341	12,066	3,602,563
Portfolio Investments	—	—	—	—	5,200
Capital Assets	271,821	1,147,343	688,086	—	27,929,632
Funds Held in Trust	—	—	—	—	162,501
Total Assets	\$ 501,300	\$1,237,316	\$ 765,427	\$ 12,066	\$31,699,896

LIABILITIES & EQUITY					
Current Liabilities					
Bank indebtedness	\$ —	\$ 46,875	\$ —	\$ —	\$ 1,433,632
Accounts payable	61,272	54,016	4,835	3,770	1,533,969
Accrued employee benefits	189,429	99,165	12,706	5,074	1,208,105
Deferred revenue	2,843	195,474	—	—	268,148
Total current liabilities	253,544	395,530	17,541	8,844	4,443,854
Long Term Debt	—	—	—	—	261,557
Unfunded Pension Liability	178,282	116,234	14,449	7,298	1,216,724
Operating Fund Equity	(202,347)	(243,630)	45,351	(4,076)	(2,564,449)
Restricted Fund Equity	—	—	—	—	478,173
Capital Fund Equity	271,821	969,182	688,086	—	27,864,037
Total Liabilities & Equity	\$ 501,300	\$1,237,316	\$ 765,427	\$ 12,066	\$31,699,896

STATEMENT OF REVENUE & EXPENDITURES (continued)

Revenue					
Grants from Alberta Health	\$2,764,641	\$2,072,373	\$ 338,688	\$ 264,313	\$23,213,333
Client fees & charges	27,313	24,094	4,439	—	2,000,292
Other	38,243	51,533	15,946	7,933	1,033,689
Total Revenue (6)	2,830,197	2,148,000	359,073	272,246	26,247,314
Expenditures					
Salaries & benefits	2,146,472	1,537,031	237,135	184,448	17,762,239
Drugs & medical supplies	—	—	—	—	1,326,027
Facility operation	65,529	204,219	30,965	20,009	1,297,202
Depreciation	603,519	59,939	19,582	—	2,037,132
Other	35,521	552,546	98,743	66,733	4,841,520
Total Expenditures (7)	2,851,041	2,353,735	386,425	271,190	27,264,120
Surplus/Deficit	\$ (20,844)	\$ (205,735)	\$ (27,352)	\$ 1,056	\$ (1,016,806)

See accompanying notes.

WESTVIEW REGIONAL HEALTH AUTHORITY
NOTES TO 1994/95 FINANCIAL STATEMENT SUMMARY
(Unaudited)

- 1) This summary includes all entities that the WestView Regional Health Authority assumed control over in the 1994/95 fiscal year. It excludes voluntary or private facilities funded directly by Alberta Health.
- 2) Represents the financial statements of the establishment and operation of the Regional Health Authority during 1994/95.
- 3) There is no audit of the Regional Health Authority totals but rather there are audited reports for each of the entities that individually comprise the WestView Regional Health Authority. The financial results of the Health Units represent the WestView Regional Health Authority portion of the complete Health Unit which was dispersed according to the geographic boundaries of the Regional Health Authority.
- 4) Funds provided by WestView Regional Health Authority Corporate to other divisions have been eliminated in preparing the combined totals. Other transactions between entities have not been eliminated because they are not of a material amount.
- 5) 1994/95 funding for the Good Samaritan Care Center in Stony Plain was provided directly to the society by Alberta Health and are therefore not included in the combined total. In 1995/96, WestView Regional Health Authority will fund these entities directly and will assume the contracts in existence. Had 1994/95 funding for this entity been flowed through the WestView Regional Health Authority, the Total Revenue and Total Expenditure would have been restated as follows:

Total Revenue per (6) above	\$26,247,314
Grant from Alberta Health - Private Facility	1,868,413
Client Fees and Charges	831,272
Total Revenue Restated	<u>\$28,946,999</u>
 Total Expenditures per (7) above	 \$27,264,120
Other Expenses - Contracted Services - Private Facility	2,699,685
Total Expenditures Restated	<u>\$29,963,805</u>

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